



A STUDY ON CASH FLOW MANAGEMENT

1. VINITHA G School of Management Studies, Sathyabama Institute Of Science And Technology, Chennai.
2. Dr. JOYCE . R , M.B.A, Ph.D., Associate Professor, Sathyabama Institute Of Science And Technology, Chennai.

ABSTRACT

The main aim of the firm should aim at maximizing the wealth of its shareholders. A firm works hard in order to earn sufficient return in its operation. Earning a steady amount of profit requires successful sales activity of the company. The firm has to invest enough funds in current asset for the company improvement. Current asset is needed because sales do not convert into cash instantaneously. In the conversion of sales into cash a operating cycle is involved.

KEYWORDS:

Cash flow forecasting, cash inflow and outflow

INTRODUCTION

Cash flow management is the process of analyzing, monitoring, and optimizing the inflow and outflow of money from your business. The company aims to accurately forecast your business's cash flow needs by effectively tracking and controlling your cash inflows and outflows. The primary sources of cash inflows include cash sales, payments from customers, interest on savings, bank loans Similarly, cash outflows are in the form of raw material purchases, salary payments, rent expenses, taxes, etc. Effective cash flow management ensures that cash inflows exceed cash outflows, empowering businesses to achieve higher growth while enjoying adequate liquidity.

Cash flow aims to tracks and coordinates a company's past, present and future expenses. The organization is paying its invoices on time, adequately compensating staff with room for salary growth, and company growth for future investments. A concrete understanding of the way cash flow management affects business not only minimizes the risk of closure, and they affect the cash flow management but can ensure continued success and increased revenue rates. But all

of this is only possible when a company has full transparency into their finances.

OBJECTIVE OF THE STUDY PRIMARY OBJECTIVE:

- To know cash inflow and outflow of the company.

SECONDARY OBJECTIVE:

- To examine the operating cycle
- To learn the company's liquidity position

NEED FOR THE STUDY

- Cash plays a very important role in the economic life of the business. A firm needs to make payment to its suppliers, to incur day-to-day expenses and to pay salaries, wages, interest and dividends etc. the study the student to understand how to maintain the adequate cash balance.
- It also helps the company to know about the operating efficiency, financing capability and the investment efficiency of the business.

SCOPE OF THE STUDY

Industry Focus: Determine if the study will be industry-specific or applicable across various sectors

Organizational Size: Consider whether the study will target small businesses, large corporations, or a specific range of company sizes.

REVIEW OF LITERATURE

In this chapter, the researcher has made Cash is the money which a firm can disburse immediately without any restriction.

David Argente (2023) The incidence of COVID-19 has systematically decreased households' use of cash as means of payment as well as the average size and frequency of cash withdrawals. We argue that the structure of type inventory the theoretical models and their extensions can be used to separate the confounding factors, size and frequency of cash withdrawals. Using this insight, we argue that the observed cash management is consistent with COVID increasing the fixed cost.

Abner Ishaku Prince (2023) The focal point of this research was to establish the liquidity-viability link in quoted non-financial firms in Nigeria. Liquidity improves the profitability of firms but not its solvency of the company. The solvency of the they performance of a firm exclusively anchor on the firm's capacity to realize the "twin conflicting" targets of liquidity sufficiency and stable growth through a diversified and stable asset-liability mix. The firm's inability to strike an equilibrium balance among meeting financial obligations, sufficient liquidity and profitability has

led to insolvency of most firms in Nigeria.

Hillary K (2023) Factors affecting logistics outsourcing in large manufacturing firms in globalized and highly competitive markets, has led to organizations striving to be innovative and agile to meet customer demands. Competitiveness, based on organizational capabilities and productivity, may lead to quality, efficiency and flexibility of the company. The objective of the study was to analyses the effects of cash flow management on logistics out sourcing in large manufacturing firms and to determine the effects of distribution management on logistics outsourcing in large manufacturing organization.

Matveev (2022) The relevance of the research topic is determined by the fact that in modern economic conditions the issue of cash flow formation and management directly influences the operation, and in some cases, the existence of a small and large enterprises. The company needs a extreme amount of cash for timely repayment of its obligations. However, cash excess reduces the turnover of the company and, like shortage, negatively affects the performance of a company.

Richard Wesley Wilt (2022) Farmers generally understand the aspect of farm management relating to control and use of physical assets to achieve high rates of production. They are less familiar with the tools of financial management, however, even though the high capital investment in agriculture makes it imperative that financial management be a part of farm management. High interest rates and other unfavorable factors of the recent economic environment have encouraged farmers seek ways to increase production efficiency, especially the more efficient use of capital. This can be accomplished through improved financial management

Waltson and Head (2021) explained Cash management as the concept which is concerned with optimizing the amount of cash available in the company maximizing the interest earned by spare funds not required immediately and reducing losses caused by delays in the transmission of funds.

RESEARCH METHODOLOGY RESEARCH DESIGN

In order to acquire the information which is needed to structure or to solve a problem and specific methos is used which is called research design

“The arrangement of condition for collection and analysis of the data which is to combined relevant research purpose with economy in procedure is called research design.

Analytical research technique was adopted in this project. The researcher used analytical type for research to analyze the past data based on which certain future decision can be made.

SOURCE OF DATA SECONDARY DATA:

These data, which have already been collected, compiled and presented earlier by any agency, may be used for the purpose of investigation. The data has been collected from Sequel Logistics Private Limited Pvt Ltd. Annual report from 2019-2023.

TOOLS USES FOR THE STUDY

- Ratio analysis
- Trend analysis
- Comparative Balance sheet

I) RATIO ANALYSIS**1. CURRENT RATIO:**

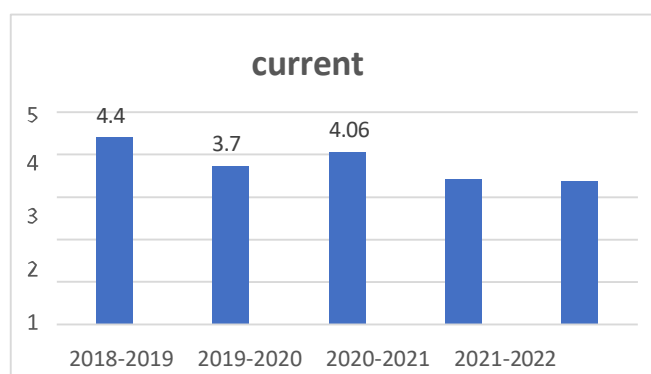
Working capital ratio is also known as current ratio. The ratio compares a company's current assets and current liabilities, testing whether it sustainably balances assets, financing, and liabilities.

FORMULA: - Current Ratio: Current Assets / Current Liabilities

TABLE NO 4.1

Year	Current Assets	Current Liabilities	Current Ratio
2018-2019	14773.27	3352.23	4.41
2019-2020	16445.88	4395.71	3.74
2020-2021	21696.16	5341.87	4.06
2021-2022	20700.86	6048.76	3.42
2022-2023	21621.06	6421.58	3.37

Source of data: Secondary data

CHART NO 4.1

INTERPRETATION:

From the above table it is inferred that, the current ratio is increased in the year 2018-2019 with 4.41. 2022-2023 with 3.37. It is noticed that year after year the Current ratio is declining.

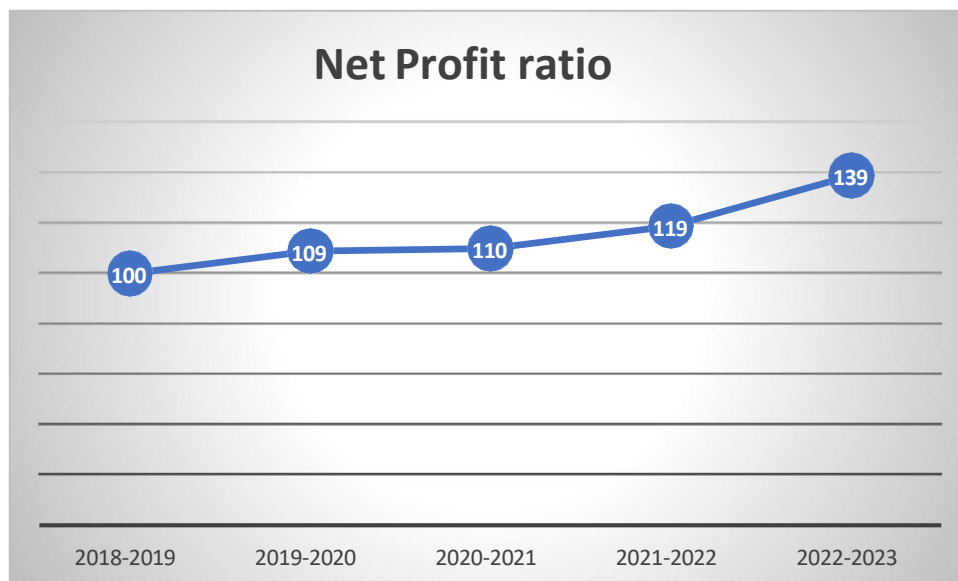
ii) TREND ANALYSIS

1. TREND PERCENTAGE OF GROSS PROFIT RATIO: TABLE NO 4.16

Year	Gross Profit	Trend %
2018-2019	7445.34	100
2019-2020	6201.32	83
2020-2021	7495.30	101
2021-2022	5832.59	78
2022-2023	8753.69	118

Source of Data: Secondary data

CHART NO 4.16



INTERPRETATION:

It can be inferred from the above table that the gross profit has gradually increased in the following years. On the whole, the bar shows an upward moving slop portraying a positive growth in the gross profit.

CONCLUSION

- Company to improve the inflow cash and control the out flow of cash. Sequel logistics private limited company commonly Concentra in with the cash management. So, in future the company successful function in supply chain area. The company is performing exceptionally well due to the up wishing in the global market followed by the domestic market. It is an upcoming one with good and innovative ideas and believed to improving all the areas of its operations of the company.
- The company has a good liquidity position and does not delay commitment in cash of both its creditors and debtors, the company being mostly dependent on the working capital facilities, it is maintaining very good relationship with their banks and their working capital management is well balanced.

REFERENCES

1. Stephen M. Pryke (2015) "Project Cashflow: Principles, Practices, and Tools for Improving Cashflow in Projects"
2. Gerard Blok Dijk (2019) "Project Cash Management: Simple Steps to Win, Insights and Opportunities for Maxing Out Success"
3. Timothy Jury (2017) "Cash Flow Analysis and Forecasting: The Definitive Guide to Understanding and Using Published Cash Flow Data"
4. David Worrell (2016) "The Entrepreneur's Guide to Financial Statements"
5. Stefano Gatti (2018) "Project Finance in Theory and Practice"
6. Christopher B. Apaliski (2014) "Managing Project Cash Flow: An Operational Framework for Medium-Sized Construction Contractors"
7. Timothy Jury (2017) "Cash Flow Analysis and Forecasting: The Definitive Guide to Understanding and Using Published Cash Flow Data"
8. Michele Allman-Ward and James Sagner (2017) "The Essentials of Corporate Cash Management"