

Part B

Syllabus Prescribed for Ist Year Post Graduate Programme (NEP)

Programme: Master of Commerce Ist Year Semester II- NEP

Semester II:

Code of Course: Subject	Title of Course: Subject	Total No. of Periods
M.Com. NEP/24-C	Working Capital Management	60

Course Outcomes:

1. Knowledge and Application: Equip participants with a thorough understanding of working capital management concepts, enabling them to apply appropriate strategies in real-world business scenarios.
2. Financial Health Assessment: Enable participants to use working capital management ratios to assess the financial health of a company and make informed decisions.
3. Efficiency and Liquidity: Develop skills to optimize working capital to ensure both operational efficiency and liquidity.
4. Risk Management: Teach participants how to effectively manage cash flow, marketable securities, and short-term financing to mitigate financial risks.
5. Problem-Solving: Provide participants with problem-solving skills to address working capital-related challenges and opportunities.
6. Practical Implications: Illustrate the practical implications of working capital management for businesses and their day-to-day operations.

By the end of this course, participants will have gained comprehensive knowledge and practical skills in working capital management, enabling them to make well-informed financial decisions and contribute to the financial success of their organizations.

Unit	Contents	No. of Periods
I	Introduction to Working Capital Management Concept and nature of working capital; Concept of working capital management; Types of working capital; Importance of working capital; Determinants of working capital, Limitations of Deficit and surplus working capital	12

II	Nature of working capital financing; Short-term versus long-term financing; Sources of short-term financing: accruals, trade credit, bank loan, commercial papers, accounts receivable financing (pledging and factoring), inventory financing (floating lien, chattel mortgage, trust receipt loan and warehouse financing); Factoring, Cost of sources of short-term financing; Factors to be considered in working capital financing.	12
III	Planning for working capital; operating environment of working capital; Concept of working capital cycle; Computation of working capital cycle; Determination of working capital; working capital management ratios: ratios measuring liquidity, ratios measuring structure, and ratios measuring efficiency; Working capital and inflation; Managing the components of working capital.	12
IV	Overview of cash management; Significance of cash management; Motives for holding cash Cash management models: Baumol model, Miller–Orr model; Meaning of marketable securities; Common investment instruments; Variables in marketable securities selection; Investment in marketable securities: the marketable securities portfolio, selecting securities for the portfolio.	12
V	Problems on Working Capital Cycle, Problems on Increase or Decrease in Working Capital	12

Reference Books:

1. Gupta RK, Gupta Himanshu, Working Capital Management & Finance: A Handbook For Bankers And Finance Managers, NotionPress
2. Working Capital Managerment Paperback English Latest Edition,.: Dr. Sawalia BM,
3. Tulsian PC, & Others, Financial Management, S. Chand
4. Financial Management, R. Sharma, ISBN Code - 978-93-87601-58-1, Laxmi Narain Agrawal

5. Finance For Nonfinancial Managers, Murugesan Ramaswamy, ISBN 13-9789354735523