



Business success through people

## Working Capital Management 2 days

### Course

#### DAY 1

##### **Financial Statements**

- The Balance Sheet
  - Inventories
  - Accounts Receivable
  - Bank balances and cash
  - Accounts payable
  - Short-term loans
- The Income Statement
  - Cash conversion within the income statement
  - Revenues
  - Cost of sales
- Cash Flow Statements

##### **Working Capital Management principles**

- Objectives of working capital policy
- The working capital cycle
- Strategies for financing working capital

##### **Credit Asset Management**

- Establishing a credit policy
- Level of credit worthiness
- Setting the collection policy
- Setting cash discount policy
- Analysing the impact of a change in credit policy

#### DAY 2

##### **Inventory Management**

- How businesses become overstocked
- Inventory costs
- Reducing excess inventory
- ABC approach
- Economic Order Quantity Model

##### **Accounts Payable Management**

##### **Cash Management**

- The operating and cash cycles
- Determining the Target Cash Balance
- The Baumol-Allais-Tobin (BAT) Model

- The Miller-Orr Model

### **Cash Flow Forecasts**

- Constituents of cash flow
- Cash flow in the corporate environment

### **Basic Financial Ratios**

- Profitability Ratios
- Liquidity Ratios
- Investment Ratios