

An Analysis of Investment Evaluation and Working Capital Procedures

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Abstract: *Within the organization, several personnel may have responsibility for each component, and it is the manager's role to assign them specific, achievable objectives to optimize their working capital holdings. Net working capital is the difference between a company's current assets and its current liabilities. Net working capital refers to the amount of short-term funds that a firm needs in order to function. Working capital management include the management of short-term assets, such as cash, inventory, and accounts receivable, as well as short-term liabilities, such as accounts payable. The investment amount in each account differs from one business to another and varies across different sectors and industries. Additionally, it depends on the nature of the firm and the specific needs of the industry. Many organizations, particularly those in certain industries, are required to make significant investments in inventory due to the nature of their business*

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