

Study on Relation between Working Capital Practices and Investment Appraisal

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Abstract: *Within the organization, there may be several personnel responsible for each component. The manager must assign them specific and achievable objectives to ensure they can effectively optimize their working capital holdings. Net working capital refers to the difference between a company's current assets and its current liabilities. Net working capital refers to the amount of short-term capital that is necessary for the day-to-day operations of a business. 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 varies depending on the specific firm and industry. Additionally, it is dependent on the nature of the firm and the specific demands of the industry. Given the nature of their operations, numerous companies are required to make substantial investments in inventory.*

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