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## A STUDY ON CASH MANAGEMENT

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### ABSTRACT

Cash management means the management of liquidity in order to meet their day-to-day commitment. The result of poor focus on cash management often means that the financial assets are bound. The management of liquidity is not something new but cash management is a modern way of doing that. Cash management is very broad subject which involves many factors, this paper focus on examine how the liquidity is managed in Ultratech Cements, in order to improve the liquidity through cash management thinking. Ultratech Cements is located cement company firm located in Tadipatri.

### INTRODUCTION

Cash is an important current asset for the operation of the business. Cash is the basic input needed to keep the business running on a continuation basis. It is also the ultimate output realized by selling the services or products manufactured by the firm.

Cash is the most liquid of all the current assets.

Cash is the money which a firm can disburse immediately without any restriction. The term cash includes coins, currency and cheques held by the firm, and balance in its bank accounts.

Cash management is one of the key areas of working capital management; apart from the fact which is the most liquid current asset, cash is the common denominator to which all current assets can be reduced because the other major liquid assets, that is, receivables and inventory get eventually converted into cash.

The term 'cash' with reference to cash management is used in two senses. In a narrow sense, it is used broadly to cover currency and generally accepted equivalents of cash, such as cheques, drafts and demand deposits in banks.

### Objectives of The Study

1. To study the maintenance of cash flow of company to meet day to day requirement company.
2. To known cash inflow and outflow the company
3. To find out the liquidity position of the concern through ratio analysis.
4. To study the growth of company in terms of cash flow statement.
5. To make suggestion and recommendation to improve the cash position of company.

Cash management must aim to reduce the required level of cash but minimize the risk of being unable to discharge claims against the company as they arise. Since cash itself is not an asset capable of causing the profit differential for the firm. Cash management consists basically of having a sufficient quantity of cash yet maintaining a balance at lowest figure adequate to meet current obligations.”

### Data Analysis On Cash Management

Firstly, data analytics can provide a comprehensive view of a company’s cash flow. By analyzing historical data, business can identify patterns and trends in their income and expenses. This allows for better forecasting, helping companies anticipate future cash need and avoid potential shortfalls. The evaluation of inflows and outflows of cash in an organisation obtained from financing, operating and investing activities.

Function of Cash Management in brief are:1. Collection and up keeping of cash and securities.

2. Control of payment i.e. providing requisite cash at the proper time and place to meet financial obligations.
3. Maintenance of adequate supply of cash to meet projected cash requirement, cash budget and day to day demands.
4. Maintenance of sound banking relations.

Cash flow statement:-

In financial accounting. A cash flow statement is a financial statement that shows how changes in balance sheet and income account affect cash and cash equivalents, and breaks the analysis down to operating, investing, and financing activities. As an analytical tool, the statement of cash flows is useful determining the short-term viability of a company, particularly its ability to pay bills. International Accounting Standard 7 (IAS 7) is the international Accounting Standard that deals with cash flow statements. The success, growth and survival of every reporting entity depend on its ability to generate or otherwise obtain cash. Cash flow is the concept that every understands and with which they can identify. A cash flow statement (CFS) is important to external users, and should be of significant importance internally as well. Cash flow refers to the movement of cash into or out of a business, or project, or financial product. It is usually measured during a specified, finite period of time.

Scope of the study:

1. Ways to reduce the account of cash paid out includes having fewer inventories, reducing purchases of equipment or other fixed assets, some operating expenses.
2. The objective is to finally develop a plan which, if followed, will provide a well-managed flow of cash

### Research Methodology

Primary Data: Primary data is collected with consultation and discussion with the concerned staff. The company whenever requires funds they arrange the funds from the internal sources.

Secondary Data: It was collected from P&L Ac, balance sheet, reference books based on financial management & management accounting. The various helped in understanding the various theoretical concepts associated with the project such as the significance of cash flow management and the way to interpret various funds. All the figures required to carry out the ratio analysis were gathered from financial statements such as P&L Ac,

### Review of literature

Cash Management is concerned with the management of collections and disbursement of cash, determination of optimum level of cash and investment of surplus cash into securities. Cash management includes management of cash inflow, cash outflow, estimation of cash requirement, cash training cost of managing cash.

### Findings and Suggestions

Findings: In cameo corporate services maintains the effective cash flow so there is good possibilities for the futures development. Net working capital also shows the good position.

Suggestions:

Company is going in the right path, if they maintain the same level and improve the current level scope for the further development for the future. Company is on growth and there is scope for further scope.

### Conclusion

The cash flow statement show that net increase in cash generated from operating and financing activities is much more than the previous year but cash from investing activities is negative in both years. There is increase of Rs.851324604.in Increase in cash & cash equivalents from previous year. Therefore analysis of cash flow statement shows cash inflow is more than the cash outflow in CAMEO LTD.

The company's overall position is at a good position. Particularly the current year's position is will due to raise in the profit level from the last year position. It is better for the organization to diversify the funds to different sectors in the present market scenario.