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## A Study on Working Capital Management in KAIC

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### **Abstract**

One of the most areas in the day-to-day management of the firm is the management of working capital. Working Capital may be regarded as the lifeblood of a business. Its effective provision can do much to ensure the success of a business. Its inefficient management can lead not only to loss of profits but also to the downfall of a business. A study of Working Capital is of major importance to internal and external analysis because of its close relationship with the current day-to-day operations of a business. Every business needs funds for two purposes. Long term funds are required to create production facilities through purchase of fixed assets, such as, plants, machineries, land, building etc. Investments in these assets represent that part of firm's capital which is blocked on a permanent or fixed basis and is called fixed capital. Funds are also needed for short term purposes for the purchase of raw materials, payment of wages and other day-to-day expenses etc.

**Keywords:** Working Capital, Management, Raw materials.