

# **WORKING CAPITAL MANAGEMENT OF SUMY DISTILLERY LTD.**

Submitted to  
Office of the Dean  
Faculty of Management  
Tribhuvan University

Submitted by  
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In partial fulfillment of the requirement for the Degree of  
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**Butwal  
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# **RECOMMENDATION**

**This is to certify that the thesis**

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**Working Capital Management of  
Sumy Distillery Ltd.**

has been prepared as approved by the Department in the prescribed format of faculty of management; this thesis is forward for examination.

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## **Viva-Voce Sheet**

**We have conducted the Viva-Voce examination of the thesis**

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and found the thesis to be the original work of the student and written according to prescribed format. We recommend the thesis to be accepted as partial fulfillment of the requirements of Master's Degree in Business Studies (M.B.S)

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## **DECLARATION**

I hereby declare that the work reported in this thesis entitled "Working Capital Management of Sumy Distillery Ltd." submitted to Office of the Dean, Faculty of Management, Tribhuvan University, is my original work done in the form of partial fulfillment of the requirement for the Master of Business Studies under the supervision of Lecturer Mr. Binod Dhungana of Lumbini Banijya Campus.

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## ABBREVIATION

S. D. Ltd (SDL)	=	Sumy Distilleries Limited
NIDC	=	Nepal Industrial Development Corporation
PEs.	=	Public Enterprises
V.D.Cs.	=	Village Development Communities
WC	=	Working Capital
CAs	=	Current Assets
CLs	=	Current Liabilities
GWC	=	Gross Working Capital
NWC	=	Net Working Capital
ICP	=	Inventory Conversion Period
BDCP	=	Book Debts Conversion Period
RMCP	=	Raw Material Conversion Period
WIPCP	=	Work-in-progress Conversion Period
FGCP	=	Finished Goods Conversion Period
GOS	=	Gross Operating Cycle
NOC	=	Net Operating Cycle
NLL	=	Nepal Lever Limited
Ltd.	=	Limited
r	=	Correlation Coefficient
PE	=	Probable Error
Co.	=	Company
STF	=	Short-Term Financing
LTF	=	Long-Term Financing
TF	=	Total Financing
MPEs	=	Manufacturing Private Enterprises
FY	=	Fiscal Year
CATA	=	Current Assets to Total Assets
CAFA	=	Current Assets to Fixed Assets
CBCA	=	Cash and Bank Balance to Current Assets

CBTA	=	Cash and Bank Balance to Total Assets
I	=	Inventories
ITA	=	Inventories to Total Assets
ICA	=	Inventories to Current Assets
A/RTA	=	Receivables to Total Assets
A/RCA	=	Receivables to Current Assets
CR	=	Current Ratio
QR	=	Quick Ratio
GPM	=	Gross Profit Margin
NPM	=	Net Profit Margin
OR	=	Operating Ratio
ROA	=	Return on Assets
RONW	=	Return on Net Worth
ROWC	=	Return on Working Capital
WCT	=	Working Capital Turnover
ITR	=	Inventory Turnover Ratio
COGS	=	Cost of Goods Sold
RTR	=	Receivable Turnover Ratio
ACP	=	Average Collection Period
DOS	=	Days Sales Outstanding
OC	=	Operating Cycle
ICP	=	Inventory Conversion Period
RCP	=	Receivable Conversion Period
CCC	=	Cash Conversion Cycle
PDP	=	Payable Deferral Period
PCP	=	Payable Conversion Period