

**WORKING CAPITAL MANAGEMENT OF  
DABUR NEPAL PRIVATE LIMITED**

**By**

**ANNE SHRESTHA**

**St. Xavier's College**

**T.U. Registration No.: 7-2-39-377-2002**

**Second Year Symbol No. : 4167/2005**

***A Thesis Submitted to:***

**Office of the Dean**

**Faculty of Management**

**Tribhuvan University**

***In partial fulfillment of the requirement for the Degree of***

***Master of Business Studies (M.B.S.)***

**Maitighar, Kathmandu**

**July, 2009**

## **DECLARATION**

I hereby declare that the work reported in this thesis entitled "**WORKING CAPITAL MANAGEMENT OF DABUR NEPAL PRIVATE LIMITED**" 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's Degree in Business Study (M.B.S.) under the supervision of **Mr. Shankar Thapa** of St. Xavier's College.

.

.....

**ANNE SHRESTHA**

**Researcher**

**St. Xavier's College**

**T.U. Regd. No. : 7-2-39-377-2002**

**Second Year Symbol No. : 4167/2005**

## **ACKNOWLEDGEMENT**

I take this opportunity to thank all the people who has in one way or the other helped me through making of this thesis report. First of all I state my gratitude to my supervisor, Mr. Shankar Thapa of St. Xavier's College. Without his effort, enthusiasm and inspiration in his guiding for this report, this work would not have been possible. I am also indebted to our head of department Mr. Shankar Thapa for providing a stimulating and fun environment to learn and grow throughout this thesis work.

I would like to extend my gratitude to Prof. Dr. Radhe Shyam Pradhan. My gratitude would be incomplete without thanking those people who were there whenever I turned back. I am totally grateful to my best of friends- Durga Bharati, Rashmee Chhetri and Barsha Shrestha Rajbhandari and also Saurav Man Tamrakar for helping me get through the difficult times, and of course for all the emotional support, entertainment and that special care they provided.

Again the list of gratitude follows to the librarians of TU, St. Xaviers' Campus, Shanker Dev Campus, American Library, for assessing me in many ways. And lastly, I wish to thank my entire family for providing a loving environment for me, especially my husband- Mr. Pritish Shrestha and my Father who were very supportive throughout my making of this thesis report. To all of them, I dedicate this thesis report.

**Anne Shrestha**

Researcher

## **LIST OF TABLES**

<b>Table No.</b>	<b>Title</b>	<b>Page No.</b>
4.1	Composition of Current Assets	33
4.2	Ratio of Current Assets to Total Assets	36
4.3	Current Assets as Percentage of Fixed Assets	38
4.4	Percentage of Cash and Bank Balance to Current Assets	39
4.5	Cash and Bank Balance to Total Assets	41
4.6	Proportion of Inventory to Current Assets and Total Assets	42
4.7	Proportion of Receivables to Current Assets and Total Assets	44
4.8	Proportion Miscellaneous Current Assets to Current Assets and Total Assets	45
4.9	Proportion of Loans and Advance to Current Assets and Total Assets	46
4.10	Proportion of Current Assets to Sales	48
4.11	Size of Net Working Capital	49
4.12	Current Ratio	50
4.13	Quick Assets or Quick Ratio	52
4.14	Inventory Conversion Period	53
4.15	Receivables Collection Period	54
4.16	Payable Deferral Period	55
4.17	Cash Conversion Cycle	56
4.18	Current Assets Turnover	57
4.19	Inventory Turnover Position	58
4.20	Receivables Turnover Position and Average Collection Period	59
4.21	Cash Turnover Position	60
4.22	Net Working Capital Turnover Position	61
4.23	Gross Profit Margin	62
4.24	Net Profit Margin	64
4.25	Operating Ratio	65
4.26	Return on Current Assets	66
4.27	Return on Total Assets	67
4.28	Simple Regression analysis of Net Working Capital on Sales, Inventory, Current Assets and Current Liabilities	68

## **LIST OF FIGURES**

<b>Figure No.</b>	<b>Title</b>	<b>Page No.</b>
4.1	Composition of Current Assets (Average)	34
4.2	Ratio of Current Assets to Total Assets	37
4.3	Current Assets as Percentage of Fixed Assets	39
4.4	Percentage of Cash and Bank Balance to Current Assets	40
4.5	Cash and Bank Balance to Total Assets	42
4.6	Proportion of Inventory to Current Assets and Total Assets	43
4.7	Proportion of Receivables to Current Assets and Total Assets	45
4.8	Proportion of Loans and Advance to Current Assets and Total Assets	47
4.9	Proportion of Current Assets to Sales	48
4.10	Size of Net Working Capital	50
4.11	Current Ratio	51
4.12	Quick Assets or Quick Ratio	52
4.13	Gross Profit Margin	63
4.14	Net Profit Margin	64

## **ABBREVIATIONS**

%	:	Percentage
&	:	And
'r'	:	Correlation Coefficient
A/C	:	Account
B/S	:	Balance Sheet
C.L	:	Current Liability
C.R	:	Current Ratio
C.V	:	Coefficient Variation
CAFA	:	Current Assets to Fixed Assets
CAT	:	Current Assets Turnover
CATA	:	Current Assets to Total Assets
CB	:	Cash and Bank
CBCA	:	Cash and Bank Balance to current Assets
CBTA	:	Cash and Bank Balance to Total Assets
CCC	:	Cash Conversion Cycle
CR	:	Current Ratio
CT	:	Cash Turnover
DNL	:	Dabur Nepal Limited
F.Y	:	Fiscal Year
G.D.P.	:	Gross Domestic Production
Govt.	:	Government
GPM	:	Gross Profit Margin
GS	:	Government Securities
i.e.	:	That is
ICA	:	Inventory to Current Assets
ICP	:	Inventory Conversion Period
IT	:	Inventory Turnover
ITA	:	Inventories to Total Assets
LA	:	Loan and Advance

Misc.	:	Miscellaneous
N	:	Number
NP	:	Net Profit
NPM	:	Net Profit Margin
NWC	:	Net Working Capital
NWCT	:	Net Working Capital Turnover
OR	:	Operating Ratio
P (Ltd)	:	Private limited
P/L	:	Profit and Loss A/C
PDP	:	Payable Deferred Period
QR	:	Quick Ratio or Acid Test Ratio
RCA	:	Return on Current Assets
RCA	:	Receivables to Current Assets
RCP	:	Receivables Collection Period
ROA	:	Return on Total Assets
Rs.	:	Rupees
RT	:	Receivables Turnover
RTA	:	Receivables to Total Assets
S.D.	:	Standard Deviation
T.U.	:	Tribhuvan University