



RAMA UNIVERSITY

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FACULTY OF COMMERCE AND MANAGEMENT

COURSE: MBA III SEM..

SUBJECT: WORKING CAPITAL MANAGEMENT

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LECTURE: 33

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LECTURE-33



FUNCTIONS OF CASH MANAGEMENT

Cash management is required by all kinds of organizations irrespective of their size, type and location. Following are the multiple managerial functions related to cash management:



- **Investing Idle Cash:** The company needs to look for various short term investment alternatives to utilize surplus funds.
- **Controlling Cash Flows:** Restricting the cash outflow and accelerating the cash inflow is an essential function of the business.
- **Planning of Cash:** Cash management is all about planning and decision making in terms of maintaining sufficient cash in hand and making wise investments.
- **Managing Cash Flows:** Maintaining the proper flow of cash in the organization through cost-cutting and profit generation from investments is necessary to attain a positive cash flow.
- **Optimizing Cash Level:** The organization should continuously function to maintain the required level of liquidity and cash for business operations.