CHAPTER :- 3

RESEARCH METHODOLOGY.

3.1 INTRODUCTION.
3.2 PROBLEM IDENTIFICATION.
3.3 OBJECTIVES OF THE STUDY.
3.4 SURVEY OF THE EXISTING LITERATURE.
3.5 SCOPE OF THE STUDY.
3.6 HYPOTHESIS.
3.7 UNIVERSE OF THE STUDY.
3.8 NATURE OF THE STUDY.
3.9 PERIOD OF THE STUDY.
3.10 SOURCE OF THE DATA.
3.11 RESEARCH METHODOLOGY.
3.11.1 ACCOUNTING TECHNIQUES.
3.11.2 STATISTICAL TECHNIQUES.
3.12 SIGNIFICANCE OF THE STUDY.
3.13 CHAPTER PLAN.
3.14 LIMITATION OF THE STUDY.
REFERENCES.
CHAPTER :- 3

RESEARCH METHODOLOGY.

3.1 INTRODUCTION:-

In finance, capital structure refers to the way a corporation finances its assets through some combination of equity, debt, or hybrid securities. A firm's capital structure is then the composition or 'structure' of its liabilities. In reality, capital structure may be highly complex and include dozens of sources. Gearing Ratio is the proportion of the capital employed of the firm which come from outside of the business finance, e.g. by taking a short term loan etc.

The total capital of a company comprises of fixed capital and working capital. The emphasis has ever been on the growth and efficiency of fixed capital. The management of working has often been neglected, resulting in sub-optimal utilization of not only working capital but also fixed capital. Management of working capital in a given enterprise has profitability and liquidity implication. Working capital represent by current assets, constitutes a dominant and controllable segment of investment, particularly in manufacturing enterprises, and efforts to prune it or optimize its size must promptly enhance the profitability. These efforts would simultaneously activate the flow of funds through the enterprise by focusing on dormant inventories and overdue outstanding and by curbing the long established tendency of fund to stagnate at different stage in the enterprise operations. Thus
working offers a common front for profitability and liquidity management.

## WHAT IS MEANING OF WORKING CAPITAL STRUCTURE :-

Defined as the difference between current assets and current liabilities. There are some variations in how working capital is calculated. Variations include the treatment of short-term debt. In addition, current assets may or may not include cash and cash equivalents, depending on the company. Current assets minus current liabilities. Working capital measures how much in liquid assets a company has available to build its business. The number can be positive or negative, depending on how much debt the company is carrying. In general, companies that have a lot of working capital will be more successful since they can expand and improve their operations. Companies with negative working capital may lack the funds necessary for growth. Also called net current assets or current capital.\(^1\)

A measure of both a company's efficiency and its short-term financial health. The working capital ratio is calculated as:

\[
\text{Working capital} = \text{Current assets} - \text{Current liabilities}
\]

Positive working capital means that the company is able to pay off its short-term liabilities. Negative working capital means that a company currently is unable to meet its short-term liabilities with its current assets (cash, accounts receivable and inventory).
The amount of money a company has on hand, or will have, in a given year. Working capital is calculated by subtracting current liabilities from current assets. That is, one takes the value of all debts and obligations for the current year and subtracts that from the value of all cash and assets that might reasonably be converted into cash in the current year. This is a good measure of the short and medium-term financial health of a company, and may indicate by how much it can expand its operations without resorting to borrowing or another capital raising tactic. Working capital is also called operating assets or net current assets.2

Working capital is a financial metric which represents operating liquidity available to a business, organization, or other entity, including governmental entity. Along with fixed assets such as plant and equipment, working capital is considered a part of operating capital. Net working capital is calculated as current assets minus current liabilities. It is a derivation of working capital that is commonly used in valuation techniques such as DCFs (Discounted cash flows). If current assets are less than current liabilities, an entity has a working capital deficiency, also called a working capital deficit.

Net working capital = Current assets − Current liabilities

Net operating working capital = Current assets − Non interest-bearing current liabilities
A company can be endowed with assets and profitability but short of liquidity if its assets cannot readily be converted into cash. Positive working capital is required to ensure that a firm is able to continue its operations and that it has sufficient funds to satisfy both maturing short-term debt and upcoming operational expenses. The management of working capital involves managing inventories, accounts receivable and payable, and cash.\(^3\)

3.2 PROBLEM IDENTIFICATION :-

After going through existing literature of the library reviewing various articles from everywhere and knowledgeable discussion with the concerned respected guide and by following the existing circumstances, the researcher has selected this topic, after considering available information, data, existing literate, external sources of information and other inclusive source.

Researcher has framed following problem for this work.

“Analytical study of working capital of selected cement industries”
3.3 **OBJECTIVES OF THE STUDY :-**

The mandatory objective is to study working capital structure and also to measure the social performance of the selected corporate concept. The objective of the study is to analyze of the working capital structure of cement industries.

The main objectives of this study are as under:

- To understand the concept of working capital structure.
- To understand the trend analysis of financial statement.
- To document the capital structure in cement industries.
- To analyze of working capital structure in cement industries.
- To analyze the disclosure of financial information.
- To evaluate the performance of the cement industries in terms of Ratio.
- To study comparison of last 10 years performance and social responsibility of selected ten corporate units.

3.4 **SURVEY OF THE EXISTING LITERATURE :-**

Working capital management is a very important component of corporate finance because it directly affects the liquidity and profitability of the company. It deals with current assets and current liabilities. Working capital management is important due to many reasons. For one thing, the current assets of a typical manufacturing firm accounts for over half of its total assets. For a distribution company, they account for even more. Excessive levels of current assets can easily result in a firm’s realizing a substandard return on investment. However firms with too few
current assets may incur shortages and difficulties in maintaining smooth operations (Horne and Wachowicz, 2000). Efficient working capital management involves planning and controlling current assets and current liabilities in a manner that eliminates the risk of inability to meet due short term obligations on the one hand and avoid excessive investment in these assets on the other hand (Eljelly, 2004). Many surveys have indicated that managers spend considerable time on day-to-day problems that involve working capital decisions. One reason for this is that current assets are short-lived investments that are continually being converted into other asset types (Rao 1989). With regard to current liabilities, the firm is responsible for paying these obligations on a timely basis. Liquidity for the ongoing firm is not reliant on the liquidation value of its assets, but rather on the operating cash flows generated by those assets (Soenen, 1993). Taken together, decisions on the level of different working capital components become frequent, repetitive, and time consuming. Working Capital Management is a very sensitive area in the field of financial management (Joshi, 1994). It involves the decision of the amount and composition of current assets and the financing of these assets. Current assets include all those assets that in the normal course of business return to the form of cash within a short period of time, ordinarily within a year and such temporary investment as may be readily converted into cash upon need. The Working Capital Management of a firm in part affects its profitability.

The ultimate objective of any firm is to maximize the profit. But, preserving liquidity of the firm is an important objective too. The problem is that increasing profits at the cost of liquidity can bring serious
problems to the firm. Therefore, there must be a tradeoff between these two objectives of the firms. One objective should not be at cost of the other because both have their importance. If we do not care about profit, we cannot survive for a longer period. On the other hand, if we do not care about liquidity, we may face the problem of insolvency or bankruptcy. For these reasons working capital management should be given proper consideration and will ultimately affect the profitability of the firm.

Firms may have an optimal level of working capital that maximizes their value. Large inventory and a generous trade credit policy may lead to high sales. Larger inventory reduces the risk of a stock-out. Trade credit may stimulate sales because it allows customers to assess product quality before paying (Long, Maltiz and Ravid, 1993, and Deloof and Jegers, 1996). Another component of working capital is accounts payable. Delaying payments to suppliers allows a firm to assess the quality of bought products, and can be an inexpensive and flexible source of financing for the firm. On the other hand, late payment of invoices can be very costly if the firm is offered a discount for early payment. A popular measure of working capital management (WCM) is the cash conversion cycle, i.e. the time lag between the expenditure for the purchases of raw materials and the collection of sales of finished goods. The longer this time lag, the larger the investment in working capital (Deloof 2003). A longer cash conversion cycle might increase profitability because it leads to higher sales. However, corporate profitability might also decrease with the cash conversion cycle, if the costs of higher investment in working capital rise faster than the
benefits of holding more inventories and/or granting more trade credit to customers.

For this study, researcher has reviewed various publications to get the proper understanding. Working capital structure is developing concept that why some studies conducted in context with the performance through value added reporting to the cement industries. The researcher has studied those works which are as follows:

(1) The most important pioneering books were written by PODDAR in 1962 and 1966 respectively, in which an attempt has been made to enumerate all the historical facts regarding various aspects of the industries. Some institutions like C.M.A. association of trade and industries, tariff commission, commerce research bureau, economics times, national productivity council etc. have made attempts to study the general problems in historical perspectives.

(2) INDIAN ASSOCIATION OF TRADE AND INDUSTRIES published a book analyzing the financial trend and productivity in the private sector of the industries between 1937 and 1964, in 1964. This study was based on the annual reports of 19 companies which accounts for 90% of the total production. The consolidated balance sheet and profit & loss account of these companies were taken for financial analysis as the base. This study compared various factors of productivity and profitability with those of other important cement producing countries like U.S.A., U.K., Japan and Belgium.

(3) V.K. GOEL AND N.K. NAIR has studied on productivity trends of the industries for the period from 1954 to 1976. This study
includes various aspects like origin and growth of the industries, extent of under utilization of capacity and its causes, efficiency of major inputs like labors, capital, and raw materials. It also considers financial Performance, pricing and future directions in which the industries may grow.

(4) CHAKRAVARTY AND REDDY had written an article on the financial performance of the industries for period from 1967 to 1971 by making comparison in 1973. They used ratio analysis as major tool for financial performance and had studied 22 ratios of profitability, proprietary, liquidity and turnover groups.

(5) DR. D.K. GHOSH studied the financial position of 18 private sector companies. Heaving a paid-Up. Capital of Rs.50 lacks or more. This study relates to the period from 1971-72 to 1975-76. His study is confined to the analysis of the balance sheet, assets and liabilities and condensed common- size income and expenditure statements etc.

(6) KAURA AND SUBRAMANIAM published an article on the financial performance of 10 units relating to the period from 1972 to 1979 which mainly observed liquidity, profitability, financial structure and overall performance. For this study they used conventional ratio analysis and merit rating approach. They found that the financial strength of the units have declined over the years.

(7) RAO AND CHANDAR.... have made attempt to assess the financial efficiency of cement companies for the period from 1970-71 to 1977-78 which covers 70% of entire industries. They found out that the profitability of selected companies had decreased
continuously from 1970-71 to 1974-75 owing to causes such as inflationary pressure in the country, continuous fall in capacity utilization due to drastic power cuts and shortage of coal, oil and wagon. The profitability increased in 1975-76 because of appreciable increase in the sales.

(8) DR. KUMAR BARDAS published a comprehensive book in 1987, touching on the various aspects of the cement industries like factor productivity, location, and degree of competition, capacity utilization, size efficiency, financial performance, distribution pattern and governmental policies with respect to distributions. The study pertains to the period from 1970 to 1980. The study revealed that all profitability ratios decreased gradually and become negative for 1973-74 and 1974-75. However, it improved gradually thereafter.

(9) NPC RESEARCH DIVISION (April June 1991) published an article in "Productivity quarterly magazine" in which an attempt was made to analyze the productivity and performance ratio of the industries with a view to identifying the measure problem- areas and the prospects of solving them. The study covers 26 companies, comprising of large size plants, medium size plants and mini plants. On profitability front, of the 26 companies examined, at least 11 have shown losses.

(10) DR. D.K. MITTAL published a book in 1994, touching on the various aspects of the cement industries like growth of the industries, regional up gradation and modernization, energy efficiency, price and technological controls and financial performance. The study covers more than 45 cement companies. The study pertains to the period from 1984-
85 to 1991-92. On the profit performance front, the study revealed that the industries’ profit had fallen despite sales growth, though at a slower pace.

(11) RAMA SHAKAR SINGH published a book in 1992. This edited book covers various issues pattern, development, regional imbalances, sickness, environmental impact, policy and regulation, and case study article of “cement industry.” This article covered topic, development of the industries before independence after independence, state-wise distribution of production, pattern of consumption, pricing of cement, distribution, Government participation in production, India’s role in global cement exports, and policy matter.

(12) DR. B. L. MAHESHWARI published a book in 2001, marketing strategies in cement industries in India. Like factor cement industries in India & world, marketing organizations & structure, product standardization & grading, packing & brand, price, distribution & transportation, promotion. The study pertains to the period to overall cement industries marketing area up to 2001.

(13) DR. S. J. PARMAR published a book in 2001. The book is a systematic study of the modern financial measurement techniques useful for management in planning and controlling corporate activities. With increasing participation by the general public and financial institutions as present and corporate bodies have to be on their guard and manage their efficient financial efficiency in the area of globalization. This book covers topics of concept and measurement of profitability, cost &
sales trend, profit margin, assets turnover, analysis of return on investment common size of value added statements.

(14) DR. SANJAY J. BHAYANI has done his Ph.D. on "Analysis of financial statements of cement industries in India." In this study profile of the cement industries in India, conceptual framework of financial statements, analysis of activity, profitability, working capital, financial structure and summary, findings and suggestions.

(15) DR. BUTALAL C. AJMERA has done his dissertation “Interpretation and analysis of financial statement of two selected units of Birla group”, in the year 2001 by using conceptual framework of financial statement, Research plan, profile of the cement industries. Birla group of companies a bird’s eye view, liquidity position, financial structure and suggestion, the period of 1994-95 to 1998-99. The study reveals the course of profitability.

(16) In 1989, PRAVEEN KUMAR JAIN conducted a study entitled "Management of working capital" with special reference to seven paper companies. The study was mainly devoted to working capital and liquidity analysis with the help of following indicators (1) Trend Analysis (2) Ratios Analysis.

(17) In 1995, D. GOVINDA RAO and P. MOHANA RAO conducted a study entitled “Impact of working capital on profitability in cement company.” The study was mainly devoted to impact of working capital on profitability. It was studied with the help of correlation analysis. A researcher was selecting a single unit, vise associated cement companies Ltd (ACC). Correlation between profitability vis-à-vis ten
select variables is analyzed with the help of Karl Pearson’s co-efficient of correlation technique.

(18) In 1982, A. A. KHAN, conducted a study entitled "Working capital analysis" the study was mainly devoted to the measurement of profitability with reference to five type companies. It was studied with the help of following indicators. (1) Ratios Analysis, (2) Common Size Analysis. Researcher also measured capital structure. The efficiency of one company was very poor and one company was not up to satisfaction profitability of one company was unsatisfactory and other companies were satisfactory. Researcher found that the companies were mainly financed by borrowed capital. Their capital structure was based on trading on equity position.

(19) DR. RASIK N.BAVARIA has done his Ph.D. on “A comparative analysis of profitability vies-a-vies liquidity performance in cement industries of India.” In this study profile of the cement industries in India, conceptual framework of financial statements, analysis of activity, profitability, liquidity, Profitability vies-a-vies Liquidity and summary, findings and suggestions.

(20) DR. SURAJ NARAIN MATHUR has done his Ph.D. on “Working capital management of cement industries in India- a comparative analysis of selected units” In this study profile of the cement industries in India, analysis of cash and liquidity management, accounts receivables management, inventory management and control, conclusion, suggestions and recommendations.
(21) DR. J. R. PATEL has done his Ph.D. on "A study of working capital management in cement industries in India" In this study profile of the cement industries in India, conceptual framework of working capital management, profile of cement industries in India, analysis of working capital management, inventory management – analysis, receivables management – analysis, cash management – analysis, findings and suggestions.

(21) DR. VIRENDRA C. JAIN has done his Ph.D. on "Working capital management of fertilizer industries of Gujarat " In this study profile of the concept and measurement of working capital, fertilizer industries, analysis of receivables management, analysis of working capital, analysis of inventory management, analysis of cash management, analysis of financing of working capital, summary of findings.

(22) DR. JAYESHKUMAR P. VORA has done his Ph.D. on " Working capital management of trading houses in India " In this study profile of trading house, working capital management, history and development, of selected companies working as trading house in India, analytical study of working capital management of trading house in India, findings, suggestions and conclusions.

(23) DR. ASHVINKUMAR H. SOLANKI has done his Ph.D. on " Working capital management in selected small scale industries of Gujarat State " In this study profile of nature and growth of small scale industries in Gujarat, working capital management practices and working finance in small scale industries, management of cash, management of accounts receivables, inventory management practices comparative
performance analysis of selected small scale industries of Gujarat state
Summary, findings and suggestions.

On the above background, researcher has evaluated the concept and
various related aspects of Working Capital. After this, the researcher
has shown his interest to go for exploratory study and investigate this
concept and its related applicability in the cement industries.

3.5 SCOPE OF THE STUDY :-

The scope of the study is very wide. However, the researcher has
selected India's leading companies in Cement Industries.

- Ambuja cements ltd.
- Gujarat sidhee cement ltd.
- Sanghi industry ltd.
- Saurashtra cement ltd.
- Shree digvijay cement co. ltd.
- Ultratech cement ltd.

3.6 HYPOTHESIS :-

For the present study the researcher has formulated hypothesis
Null Hypothesis and Alternative Hypothesis were tested with the help of
statistical tools. The statements of hypothesis were as under;
NULL HYPOTHESIS (H₀) :-

1) There will be no significant difference in Current Ratio in selected cement industries.
2) There will be no significant difference in Quick Ratio in selected cement industries.
3) There will be no significant difference in Liquidity Ratio in selected cement industries.
4) There will be no significant difference in Cash Ratio in selected cement industries.
5) There will be no significant difference in Interval Measure Ratio in selected cement industries.
6) There will be no significant difference in Net Working Capital Ratio in selected cement industries.
7) There will be no significant difference in Inventory (Stock) Turnover Ratio in selected cement industries.
8) There will be no significant difference in Inventory to Working Capital Ratio in selected cement industries.
9) There will be no significant difference in Debtors’ Ratio in selected cement industries.
10) There will be no significant difference in Debtors”” Ratio in selected cement industries.
11) There will be no significant difference in Current Assets Turnover Ratio in selected cement industries.
12) There will be no significant difference in Average Collection period in selected cement industries.
13) There will be no significant difference in Working Capital Turnover Ratio in selected cement industries.
14) There will be no significant difference in Gross Profit Margin Ratio in selected cement industries.
15) There will be no significant difference in Net Profit Margin Ratio in selected cement industries.
16) There will be no significant difference in Operating Expense Ratio in selected cement industries.

**ALTERNATIVE HYPOTHESIS (H₁) :-**

1) There will be significant difference in Current Ratio in selected cement industries.
2) There will be significant difference in Quick Ratio in selected cement industries.
3) There will be significant difference in Liquidity Ratio in selected cement industries.
4) There will be significant difference in Cash Ratio in selected cement industries.
5) There will be significant difference in Interval Measure Ratio in selected cement industries.
6) There will be significant difference in Net Working Capital Ratio in selected cement industries.
7) There will be significant difference in Inventory (Stock) Turnover Ratio in selected cement industries.
8) There will be significant difference in Inventory to Working Capital Ratio in selected cement industries.
9) There will be significant difference in Debtors’ Ratio in selected cement industries.
10) There will be significant difference in Debtors’ Ratio in selected cement industries.
11) There will be significant difference in Current Assets Turnover Ratio in selected cement industries.
12) There will be significant difference in Average Collection period in selected cement industries.
13) There will be significant difference in Working Capital Turnover Ratio in selected cement industries.
14) There will be significant difference in Gross Profit Margin Ratio in selected cement industries.
15) There will be significant difference in Net Profit Margin Ratio in selected cement industries.
16) There will be significant difference in Operating Expense Ratio in selected cement industries.

3.7 UNIVERSE OF THE STUDY :-

The present study has been carried out on the micro level. Researcher has selected the cement industry, with the reference of leading companies in cement industries.

3.8 NATURE OF THE STUDY :-

As one of the objectives is to acquire deeper insight into the various pertinent aspects of the problem, thus the study can be termed as exploratory in nature. The researcher has also utilized the facts and
information available in various secondary sources to make critical evaluation and thus from this point of view, the nature of the study becomes analytical.

3.9 PERIOD OF THE STUDY :-

As any researcher wish to collect all required data and information about the research so collection of data, to analyze and for better conclusion, researcher was interested in proper period. Here researcher undertakes research on working capital structure of cement industries for the period of ten years.

- The present study is made for a period of the ten accounting year starting from 2003-04 to 2012-13.
- Researcher has selected the base year 2003-04.
- This year is normal for the purpose of analysis and evaluation.

3.10 SOURCE OF THE DATA :-

Collection of data is blood vain for any type of research. The kind of data collected and the method used to collect the data is a very important aspect of research. The kind of data collected and the method used to collect the data is a very important aspect of research. There are two basic means of data collection.

The researcher has used only secondary data collection for his convenience. Researcher gives more emphases on secondary data because the researcher undertakes research in Working Capital practices for which researcher need all Working Capital Structure reports and
RESEARCH METHODOLOGY

records from cement industries, which are in nature of secondary data. The secondary data have been collected from companies’ website, annual reports and other published material.

3.11 RESEARCH METHODOLOGY :-

Researcher has followed scientific approach to design the research methodology for investigation. For this study researcher has used secondary data as a source of information.

The following tools & techniques have been classified in the study.

3.11.1 ACCOUNTING TECHNIQUES :-

3.11.1.1 RATIO ANALYSIS :-

3.11.2 STATISTICAL TECHNIQUES :-

3.11.2.1 AVERAGE :-

3.11.2.2 THE STANDARD DEVIATION :-

3.11.2.3 t-TEST :-

3.11.1 ACCOUNTING TECHNIQUES :-

The researcher picks up the techniques to suit their requirement and also basis to data available to them. The accounting techniques which are used for the analysis is as under.

3.11.1.1 RATIO ANALYSIS :-

A ratio is a quotient of two numbers and the relation expressed
between two figures. Ratio analysis is a process of comparison of one figure against another, which makes ratio. Ratio analysis is a very powerful, analysis tool useful for measuring performance of an organization. The ratio analysis concentrates on the inter-relation-ship among the figures appearing in the financial statement. The appraisal of the ratio will make proper analysis about the strengths and weakness of the firm’s operations.

3.11.2 STATISTICAL TECHNIQUES :-

The statistical techniques which are used for the analysis are as under:

3.11.2.1 AVERAGE :-

Average is most important and frequently used technique. It is also known as mean. Average is obtained by taking the sum of all observations comprising a given set of data and dividing the sum by the total number of observations. The average reduces the large number of observations to one figure. It gives a brief picture of a large group, which it represents and to give a basis of comparison with other groups.

3.11.2.2 THE STANDARD DEVIATION :-

The standard deviation concept was introduced by ‘Karl Pearson’ in 1823. Standard deviation is most widely used measure of dispersion of a series and is commonly denoted by the symbol ‘σ’ (pronounced as ‘sigma’). Standard deviation is retired as the square –root of the average of squares of deviations. When such deviations for the values of individual items in series are obtained from the arithmetic average.⁴
3.11.2.3 t –TEST :-

 t -test is a way to test for comparing two samples, involving small values of ‘n’ that does not require the variances of the two populations to be equal, but the assumption that the two populations are normal must continue to apply. For a t -test it is necessary that the observations, in the two samples be collected in the form of what is called t -Test. Such a test is a generally considered appropriate in a small samples and population variances not known but assumed to be equal.

In order to test a hypothesis the comparison is made by computing a value of ‘t’ on the basis of the formula. If the computing value of ‘t’ is less than the critical value (table value) of ‘t’ at the significance level with appropriate degrees of freedom, the null hypothesis is accepted otherwise it is rejected.

3.12 SIGNIFICANCE OF THE STUDY :-

This study is important for the working capital structure in major aspects as under:

❖ It can give understanding of practical approach or implementation overview.

❖ It also gives comparative overview of working capital structure provisions in cement industries.

So, the significance of the study is very high. Further some observation may be useful to academicians, company people, and policy makers.
3.13 CHAPTER PLAN :-

Chapter -1 CONCEPTUAL FRAMEWORK OF WORKING CAPITAL.

This chapter includes introduction and concept of working capital management. Working capital meaning, circulation of working capital, operating cycle, duration of the operating cycle, objectives and types of working capital, adequate working capital, inadequate working capital and excess of working, principles of working capital management, factors affecting the working capital, needs, sources and structure of working capital, importance of working capital management.

Chapter -2 PROFILES OF CEMENT INDUSTRIES.

This chapter includes introduction and history of cement industries. Cement industries in India, industries overview, construction, machinery and cement producers, meaning and definition of cement, how cement is made?, types, uses and characteristics of cement, inputs and grade of cement, types of manufacturing process, manufacturing process of cement, recommendation of cement industries, problems of cement industries.

Chapter -3 RESEARCH METHODOLOGY.

It covers the following aspects. Title of the problem, data collection, period of the study, objectives of the study, survey of the existing literature, scope of the study, hypothesis, universe of the study, nature of the study, significance of the study, outline of chapter plan and limitation at the study.
Chapter -4 CONCEPTUAL FRAMEWORK OF FINANCIAL PERFORMANCE.

This chapter includes introduction and financial performance. Financial statement, financial statement analysis, method of analysis of financial statements, in its comparative statements, common-size statement, trend percentages, statement of changes in working capital, cash flow statement, ratio analysis. It also includes the meaning & definition of ratio, definition of ratio analysis, importance, objective, uses & limitations of ratio analysis, classification of ratios and working capital ratio.

Chapter -5 ANALYSIS AND EVALUATION.

The following aspect of the analysis of working capital has been discussed in this chapter. Current ratio, quick ratio, liquidity ratio, cash ratio, interval measure, net working capital ratio, inventory turnover, inventory to working capital ratio, debtors’ turnover ratio, debtors’” turnover ratio, current assets turnover, average collection period, working capital turnover ratio, gross profit margin, net profit margin, operating expense ratio. For the testing of hypothesis t-test was applied and the results of it also discussed in the chapter.

Chapter -6 SUMMARY, FINDINGS AND SUGGESTIONS.

In this chapter, researcher comes out with the summary of the whole research work. The findings of the research work also discussed and on the basis of findings, researcher tries to give some valuable suggestions also.

This chapter gives its emerging conclusion based on the analysis
carried out and points out the variation if any from the literature. It also
gives concrete suggestions for enhancing profitability & liquidity for
financial soundness, for cost control and liquidity position.

3.14 LIMITATIONS OF STUDY:-

The limitation of study is as under:

- Study is undertaken by individual researcher therefore all the
  limitation of the individual researcher exists here also.
- It is secondary data based study, so the limitations of the secondary
  data reveals with this study.
REFERENCE :-


2. Ravi M. Kishore, “Advanced Management Accounting”


Website:

1. www.capitaline.com

2. [www.economictimes.com](http://www.economictimes.com)

3. www.blonnet.com
4. www.moneycontrol.com
5. www.reportgallery.com
6. www.annualreportservice.com
7. www.pwcglobal.com
8. www.nse-india.com
9. www.ft.com
10. www.sebi.in
11. www.sec.gov
13. in.finance.yahoo.com