

A Study on Cash Management in Central Bank of India at Kumbakonam

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ABSTRACT - "A STUDY ON CASH MANAGEMENT IN CENTRAL BANK OF INDIA AT KUMBAKONAM" in this title focused on management of cash. In a banking activity anything is done by financial requirements. Cash management is ensuring to there should be enough cash availability and to finding out the solvency ratio involves ratio of fixed asset to current ratio and ratio of fixed assets to proprietary ratio analysis for financial statements.

Keywords: cash, cash management, ratio

I. INTRODUCTION

Cash, like the blood stream in the human body, gives vitality and strength to a business enterprise. Cash management includes management of marketable securities also, because in modern terminology money comprises marketable securities and actual cash in hand or in bank. The concept of cash management is not new and it has acquired a greater significance in the modern world of business due to change that took place in the conduct of business and ever-increasing difficulties and the cost of borrowing. Cash management may be defined as the ability of a management in recognizing the problems related with cash which may come across in future course of action, finding appropriate solution to curb such problems if they arise, and finally delegating these solutions to the competent authority for carrying them out the choice between liquidity and profitability creates a state of confusion. It is cash management that can provide solution.

II. REVIEW OF LITERATURE

DENVER, (2005) According to recent studies they found that small businesses have a poor cash management attention researcher has observed that company's cash position is good and cash management system was effective and efficient the cash collection by way of disconnection of power supply whenever. There is delay in payment has been the strategy observe in the domestic sector.

EKANEM (2010) It is matter of life and death for smaller companies because they can survive for a longtime without a profit but fails when they cannot meet a payment. Liquidity means the level of cash and near cash assets held, together with cash in and outflows of the assets.

BOBITAN AND MIOC (2011:302) state that cash management embodies all incomes and payments made

within a certain period and highlight potential inconsistencies of cash management practices.

III. RESEARCH METHODOLOGY

I have collected secondary data in central bank of India at kumbakonam. I have prepared in ratio analysis from balance sheet.

RESEARCH

Research is a process in which the researches wish to find out the end result for a given problem and thus the solution helps in future course of action. The research has been defined as "A careless investigation or enquiry especially through search for new facts in branch of knowledge."

RESEARCH DESIGN

The research design is used in the projects is analytical in procedure using, which researcher has to use facts or information already available, and analyze these to make a critical evaluation of the performance

IV. METHODS OF DATA COLLECTION

Secondary data (balance sheet) was collected from CENTRAL BANK OF INDIA., KUMBAKONAM. And collected information through various journals, books and through websites.

OBJECTIVES OF THE STUDY

1. To analyze the solvency ratio in the last three years of balance sheet.
2. To evaluate cash management of the bank in using ratio analysis.
3. To study cash transaction in the bank.

Tools for analysis:

Solvency ratio

- **RATIO OF FIXED ASSET TO CURRENT ASSET**
RATIO = FIXED ASSETS/ CURRENT ASSETS

- RATIO OF FIXED ASSET TO PROPRIETORY RATIO= FIXED ASSETS/SHAREHOLDERS FUNDS.

SCOPE OF THE STUDY:

The cash management study covers the period of 3 years from(2015-2018) in central bank of India at kumbakonam.

LIMITATION OF THE STUDY

- The information given from the bank was limited.
- Time constraints is unavoidable limitation of my study.

V. DATA ANALYSIS AND INTERPERTATION

TABLE: 4.1

Fixed asset to current asset ratio <u>FIXED ASSET</u>			
CURRENT ASSET			
Year	fixed asset	Current asset	Fixed asset to Current asset ratio
2015-2016	4359.29	284418.18	0.015
2016-2017	4290.37	310260.19	0.013
2017-2018	4343.38	298402.23	0.014

INTERPRETATION:

From the above table, during 2015-2016 the fixed asset to current asset ratio 0.015, 2016-2017 it was 0.013 and 2017-2018 is0.014.During the year of 2016-2017 was increased.

FIGURE: 4.1

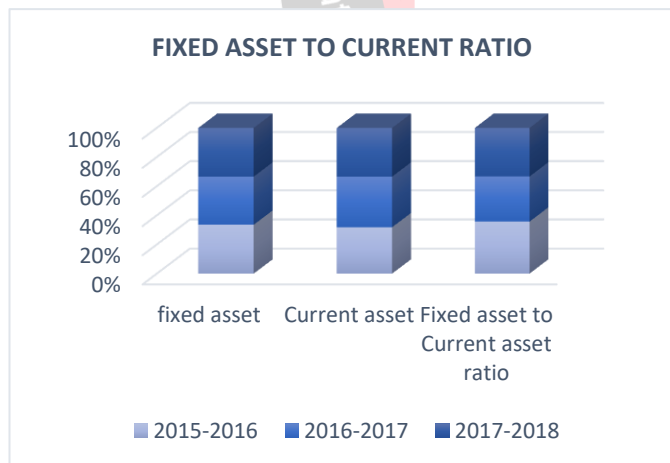


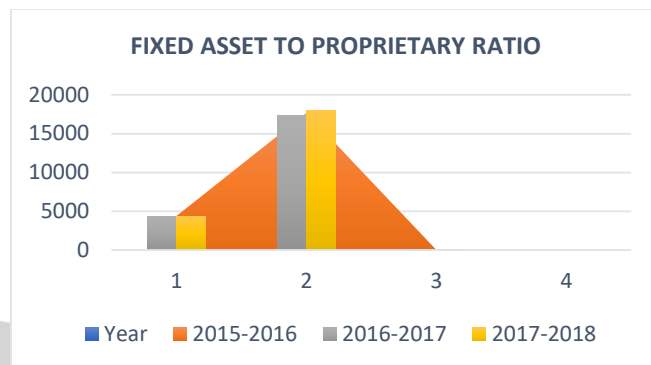
TABLE: 4.2

Fixed asset to proprietary ratio fixed assets			
Shareholders' funds			
Year	fixed assets	Shareholders' funds	current asset to proprietary ratio
2015-2016	4359.29	17679.14	0.246
2016-2017	4290.37	17268.14	0.248
2017-2018	4343.38	17985.53	0.241

INTERPRETATION:

From the above table, during 2015-2016 current asset to proprietary ratio 0.246, 2016-2017 it was 0.248 and 2017-2018 in 0.241 this year was increased.

FIGURE: 4.2



VI. SUGGESTION

The bank shareholders fund position is high and it will be helpful for to increase their fixed assets of the bank. Upcoming years to increase the fixed asset position.

VII. CONCLUSION

Cash management is essential and most vital for the banks, because the cash helps to analyze the financial position of a central bank of India. The research has made to analyses of the bank past three years. To fulfill the objectives of the study, selected solvency ratios were calculated. The study reveals that the effect should be taken to improve the assets. This analysis reveals that overall cash management position of the bank is not satisfactory. But the company have more shareholders leads to help fixed assets of the bank. The bank can utilize their cash transaction is accurate manner. so I conclude the cash management process will be improve for developing bank transactions.

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