

5.b. SUGGESTIONS

- 1) It is suggested that as far as possible the factory should try to maintain the current assets and current liabilities as per standard norms. The factory should try to establish a well relation between current assets & current liabilities.
- 2) The factory should try to reduce the investment in stock of sugar & sub-products for this purpose the factory increased sale of sugar and sub-products.
- 3) It is suggested that the factory should try to maintain the quick ratio as per the standard norms. It can be maintained either by increasing current assets or by decreasing current liabilities.
- 4) The factory should try to maintain the current ratios as per the standard norms by the way of increase in current assets.
- 5) It is suggested that the factory should use such controlling techniques of inventory turnover ratio. These techniques will help the factory to keep the inventory in optimum level.
- 6) It is suggested that the factory should either maintain the same policy of debtors turnover ratio or should try to minimize the days in future also.
- 7) The factory should try to decrease creditors turnover ratio at a suitable level in future also. The factory should try to minimize the days in future also.
- 8) The factory should try to increase the cash to current assets ratio. The factory should use such techniques of cash such as cash flow & fund flow. These techniques will help the factory to keep cash to current ratio to the required optimum level.

- 9) The factory should try to maintain proper relation between networking capital and total production with the help of decreasing cost of production.
- 10) The factory should try to increase sources of working capital in form of long term and short-term sources from various bank, financial institute, members subsidy of government & deposits etc.
- 11) The factory should try to gives more attention to the working capital and it should try to calculate adequate level.
- 12) The factory should try to reduce the stock of sugar sub-products lying in the store for three month only.
- 13) The factory should try to use control techniques of inventory such as EOQ, ABC analysis, classifications & codification of inventory.