

CHAPTER - II

Research Design and

Methodology

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1) Introduction

The working capital comes into business when actual operations take place. Working capital is necessary for all types of business organizations irrespective of their size and nature. Working capital is the life blood or heart of business organization and is a major contributor of success of the business. Working capital means the excess of current assets over current liabilities. The current assets are cash in hand; cash at bank, bills receivables, sundry debtors, stock of goods etc and current liabilities are creditors, bills payables, short-term loans, outstanding expenses etc.

The study of working capital is of greater importance as it is related to day-to-day operations of a business. Adequate provision of working capital needs to be made during the fiscal period for creating income.

In short, it can be stated that every activity of the business is related to the availability of the working capital.

The present study is concerned with the study of “Working Capital of Kolhapur Zilla Sahakari Dudh Utpadak Sangh Ltd. Kolhapur”.

2) Title of the study

The title of the study is “A Study of Working Capital of Kolhapur Zilla Sahakari Dudh Utpadak Sangh Ltd. Kolhapur”.

3) Scope of the study

The study is concerned with working capital of Kolhapur Zilla Sahakari Dudh Utpadak Sangh Limited, Kolhapur for the period of five years from 2002-2003 to 2006-2007.

4) Significance of the study

A firm's working capital is used as a measure of its liquidity position. It represents the capacity of a firm to meet its financial obligations as and when they become due.

Working capital keeps the business live and dynamic. In the absence of working capital, a firm would be financially bankrupt or insolvent and is likely to be closed down.

Therefore, the study of working capital is necessary. This study will help in improving the efficiency and overall working capital performance of Kolhapur Zilla Sahakari Dudh Utpadak Sangh Limited Kolhapur.

5) Objectives of the study

The present study is made taken with the following objectives.

1. To study the different constituents of working capital in Kolhapur Zilla Sahankari Dudh Utpadak Sangh Ltd., Kolhapur.
2. To study the various sources of working capital of Kolhapur Zilla Sahakari Dudh Utpadak Sangh Ltd., Kolhapur.
3. To study the trend of gross working capital and net working capital for last 5 years in respect of Kolhapur Zilla Sahakari Dudh Utpadak Sangh Ltd., Kolhapur.

4. To evaluate the efficiency of working capital management by using the various ratios related with working capital.
5. To draw inferences based on the above data.
6. To present the findings, conclusions, and suggestions with reference to the study.

6) Research methodology

For the study purpose both the primary data and secondary data has been used.

1. Primary data

The primary data is collected through questionnaire, personal interviews observation and discussion with the officials/ staff of the Kolhapur zilla sahakari dudh utpadak Sangh Ltd., Kolhapur.

2. Secondary data

The secondary data has been collected through annual reports, records, journals, and other published sources like books, articles, periodicals etc.

7) Limitations of the study

1. This study is a case study and is limited to Kolhapur Zilla Sahakari Dudh Utpadak Sangh Ltd., Kolhapur.
2. Due to the time constraint, the span of the study is confined to five years from 2002-03 to 2006-07.
3. The reliability of data depends very much on the information provided by the respondents.

8) Chapter scheme

The chapter scheme is divided into five chapters.

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| Chapter 1 | An Overview of the Theory |
| Chapter 2 | Research Design and Methodology |
| Chapter 3 | The Profile of Kolhapur Zilla Sahakari Dudh
Utpadak Sangh Ltd., Kolhapur |
| Chapter 4 | Analysis And Interpretation of The Data |
| Chapter 5 | Findings, Conclusions and Suggestions. |