

## HW - Chapter 10 - Working Capital - Q2

Since WIP is 100% complete in terms of material and 50% complete in terms of other cost, the same has been considered for the number of days for WIP inventory i.e. 10 days for material and 5 days for other costs respectively.

Particulars	For Raw Material	For Other Costs	Total
Cash Operating expenses	$75 \times 800 \div 100 = 600$	$25 \times 800 \div 100 = 200$	800.00
Raw Material Stock Holding	$20 \times 600 \div 360 = 33.33$	-	33.33
WIP Conversion	$10 \times 600 \div 360 = 16.67$	$5 \times 200 = 2.78$	19.45
Finished Goods Stock Holding	$45 \times 600 \div 360 = 75$	$45 \times 200 = 25$	100.00
Receivable Collection Period	$30 \times 600 \div 360 = 50$	$30 \times 200 = 16.67$	66.67
Advance to suppliers	$5 \times 600 \div 360 = 8.33$	-	8.33
Credit Period from suppliers	$60 \times 600 \div 360 = 100$	-	100.00

### Computation of working capital

	₹ in lakhs
Raw Material Stock	33.33
WIP	19.45
Finished Goods stock	100.00
Receivables	66.67
Advance to Suppliers	8.33
Cash	10.00
	237.78
Less: Payables (Creditors)	100.00
Working capital	133.78