

CASH MANAGEMENT AND CONTROL

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ABSTRACT

This is the study of the management and control of cash in companies which is confined to the Kelang Valley and other parts of Malaysia.

From interview done, focused is being made on how the company manage it resources and how it is being invest-ed. Although most of the company are not willing to give out the informations few company does and therefore only a generalise finding were made on the topic. We can consider it as a standard format that can be used by companies in order to control its' cash and therefore there are many other methods that can be followed in other to do so but not discuss in the study.

Other topic discussed in this study are physical control of cash that is to find out whether companies in Malaysia give attention in safekeeping of its' cash. The study also focus on the separation of duties in handling cash and other related activities to know whether it is being use in companies to protect its' cash.

As a conclusion, actions should be taken in order to solve the problems. The recommendation in chapter 5 may be useful to improve the weaknesses.

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INTRODUCTION

OVERVIEW OF CASH MANAGEMENT AND CONTROL

One factor is claimed by many companies to be a constant source of problems and ultimately of business failure; late payment of bills (McLean, 1987, p59). The lack of cash forecast or failure to keep them up to date is one of the main reasons of company failure.

Cash is blood of the business. It is very important in any business. Business needs cash to survive, failure to manage and control it will affect the company's availability to meet the cash obligation. In spite of having good product, the company could go into liquidation if the management were unable to manage the cash properly.

Cash is defined as net liquid fund of business. it is not only the coins and notes but also includes checking account balances, money order, travellers cheques and credit sales (Dupree, 1984, p426).

Because of the high value of cash in relation to its mass and its easy transferability, cash is an