FRONT COVER:

Terms and Conditions

LEGAL NOTICE

The Publisher has strived to be as accurate and complete as possible in the creation of this report, notwithstanding the fact that he does not warrant or represent at any time that the contents within are accurate due to the rapidly changing nature of the Internet.

While all attempts have been made to verify information provided in this publication, the Publisher assumes no responsibility for errors, omissions, or contrary interpretation of the subject matter herein. Any perceived slights of specific persons, peoples, or organizations are unintentional.

In practical advice books, like anything else in life, there are no guarantees of income made. Readers are cautioned to reply on their own judgment about their individual circumstances to act accordingly.

This book is not intended for use as a source of legal, business, accounting or financial advice. All readers are advised to seek services of competent professionals in legal, business, accounting and finance fields.

You are encouraged to print this book for easy reading.

Table Of Contents

Foreword

Capital financing is all about defining the process of planning to fit into a stipulated budget for projects. The assets with the cash flows are then maneuvered to project a one year period before the actual commencing of the project. The budgeting in place must be able to completely encompass the workings of the project for that stipulated period of time. Get all the info you need here.

Capital Maintenance Concepts

What Entrepreneurs And Businesses Need To Know About Financial Capital

Chapter 1:

Capital Finance Basics

Synopsis

The capital finances can be used to plan or address several different platforms such as replacement decisions to maintain the general business entity, the focus on existing products or changes for market expansion, new products and services, regulatory, safety and environmental issues or any other major changes that require a substantial amount of funds to be utilized over a period of at least one year.

The Basics

The necessity of having the information to run the capital finance platform is important as if effects the general direction the company intends to take, for the immediate future.

This will also dictate the direction and also how it's going to affect the long term future of the company. Since most projects commence based on the capital financing allowances, there is a need to ensure the project is capable of yielding the desired result the long term time frame requires.

Locking in the commitment levels of all departments within the entity, provides the resources to only this plan, leaving little room for other considerations or changes.

Decisions on the purchases of assets, manpower expansions and other complimenting tools that are needed for the forecast done through the capital finance planning will eventually take shape once such financing is arranges and approved.

Chapter 2:

Factors Determining Fixed Capital Requirements

Synopsis

Not all fixed capital budgets are the same nor are they all fitted squarely into any particular frame where one budget fits all. There are several factors that play a defining role in the eventual fixed capital required for any endeavor.

Factors

The following are some of the factor that may contribute in some way to the amounts required within the fixed capital frame:

The nature of the business entity is one of the dictating factors that will affect the fixed capital. Within the platform there are several smaller considerations to be taken into account such as the size of the business entity, the products it will be dealing in, the type of production processes and may other defining elements that constitute the smooth running of the business entity.

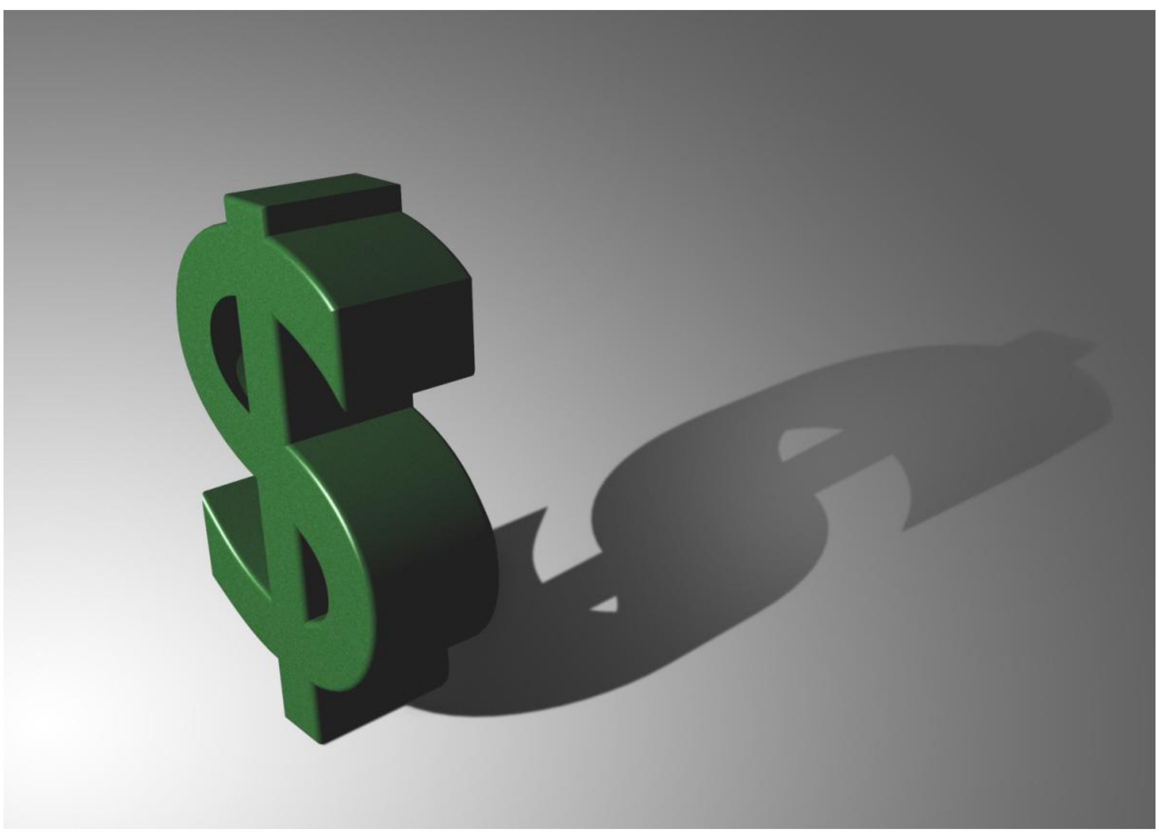
The size and commitment towards the business idea is also something that will be formed based on the fixed capital available.

For some this is not really a major issue as there would be room for expansion considerations when the business eventually makes good percentages of profits.

While for others having too small a fixed capital budget, would not make the business entity something viable and worth considering. Therefore the fixed capital very much dictates the eventual positioning of the business entity.

The stages the business progresses and the corresponding speed involved are also dictated by the fixed capital involved. This also applies to the business entity that is focused very much on expansions that will bring in the added revenue to the company which needs a lesser fixed capital when compared to a company that is just starting out its business endeavors.

Ideally the fixed capital should be able to accommodate all phases of the business entity without having to make compromises which may eventually affect the overall performance and projections first drawn up.



Chapter 3:

Factors Determining Working Capital Requirements

Synopsis

Generally explained as current assets within the business entity, the working capital would encompass all stocks, cash, debtors, and anything linked to the company. Though these working capital figures may vary through time, calculations should be done as estimates to ensure there is always sufficient working capital for the smooth running of the company or business entity.

The Factors

The following are some of the factors that would determine or dictate the working capital needed to ensure the business is run smoothly and at its optimum:

If the business entity is based on a product that requires some raw materials then the stock of such material should be available.

The working capital also has to take into consideration that those materials are always be available and ready to be used. This can only be feasibly facilitated if there is a proper working capital to tap into when stocks of such raw material are on the low side.

The time frame needed to actually produce the goods or services. Ensuring that the method used is both cost effective and time effective would then make the working capital functional rather than not.

Credit terms from suppliers also affect the working capital that needs to be in place to ensure the balance is kept even if the credit terms are not really adhered to. Likewise the credit terms offered to the customers also factors heavily in the working capital platform. All these should be considered in relation to each other, thus ensuring the eventual calculation of the working capital is suitable and enough to weather any situations as it unfolds.

Estimated sales for the month are also other elements to be considered, when drawing up the working capital layout. Although just estimates and projections are given, suitable working capital amounts can be forecasted. Profit margins are also taken into account for such estimations to be complete.

This preview copy ends here and to get the full product, please go to (the website URL).