

## LIQUIDITY MANAGEMENT OF SELECT CEMENT COMPANIES OF ANDHRA PRADESH - (A COMPARATIVE STUDY)

P. VENKATESWARLU<sup>1</sup> & B. KRISHNA REDDY<sup>2</sup>

<sup>1</sup>Lecturer, Department of Commerce, Government Degree College, Banaganapalli, Andhra Pradesh, India

<sup>2</sup>SKIM, Sri Krishnadevaraya University, Anantapuram, Andhra Pradesh, India

### ABSTRACT

Liquidity is one of the most important desired goals of an organization. The importance of adequate liquidity in the sense of the ability of an enterprise to meet current/short term obligations when they become due for payment can hardly be over-stressed. In fact, liquidity is a pre-requisite for the very survival of an enterprise. The short-term creditors of the firm are interested in the short-term solvency or liquidity of a firm. But, liquidity implies from the view point of utilization of the funds of the firm that funds are idle or they earn very little. A proper balance between the two contradictory requirements, i.e. liquidity and profitability, is required for efficient working capital management. So in this perspective, the present study is undertaken to examine and evaluate the liquidity management of select cement companies of Andhra Pradesh. In our case, Mootal's Ultimate Rank Test shows that the liquidity position of Deccan Cements is sounder as compared to other companies.

**KEYWORDS:** Current Assets, Current Liabilities, Current Ratio, Liquidity, Net Working Capital