Project Work on

"Liquidity Analysis in Primary Agricultural Co-operative Societies"

A Case Study of

The Grameena Vyavasaya Sahakari Sangha, Limited, Jali, Bhatkal.

Submitted To

Karnatak University Dharwad

In partial fulfillment of the Requirements for the Degree of Master of Commerce

By:

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Certificate

Certified that the Project Work titled **"Liquidity Analysis in Primary Agricultural Co-operative Societies, A Case Study of The Grameena Vyavasaya Sahakari Sangha, Ltd., Jali, Bhatkal"** is an original record of field work done by **Ms. Manjula Ganapayya Gond** with Registration No. **17C011113** in a partial fulfillment of the award of Degree of **Master of Commerce** of the **Karnatak University, Dharwad** during 2018-19. The project satisfies the academic requirements in respect of project work prescribed for the Degree of Master of Commerce and is a record of her own independent work.

This project is based on the studies carried out by her has not submitted to any other University or Institution for the award of any degree or diploma.

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CERTIFICATE

This is certify that Miss. **Manjula Ganapayya Gond**, Student of M.COM 4th semester with Register Number **17C011113**, studing at **Anjuman Arts, Science and Commerce College and PG Centre, Bhatkal** has visited our industry for data collection in respect of project work. We believe that this project work her own efforts and we wish her good luck in her academic Endeavour.

Place : Jali(Bhatkal).

Signature of the Chief Executive

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CHAPTER I

INTRODUCTION

INTRODUCTION OF LIQUIDITY ANALYSIS

A company's **liquidity** is its ability to meet its short-term financial obligations. Liquidity ratios attempt to measure a company's ability to pay off its short-term debt obligations. This is done by comparing a company's most liquid assets, those that can be easily converted cash, with its short-term liabilities.

In general, the greater level of coverage of liquid assets to short-term liabilities the better. A company with a low coverage rate should raise a red flag for investors as it may be a sign that the company will have difficulty meeting its short-term financial obligations, and consequently in running its day-to-day operations.

During hard times for the business or the economy, a company with insufficient liquidity might be forced to make tough choices to meet their obligations. These could include liquidating productive assets, selling inventory or even a business unit. These moves could prove detrimental to both the company's short-term viability and their long-term financial health.

Liquidity ratios are a key part of fundamental analysis since they help determine a company's ability to service its debts. It a company fails to pay its debts, it could face bankruptcy or restructuring activity that could be detrimental to shareholder value. Liquidity ratios are based on different portions of the company's current assets and current liabilities taken from the firm's balance sheet. '**Liquidity**', '**Risk**' and '**Profitability**' are the three main guiding principles of a successful organization. Be it a sole trading concern, a partnership firm, a registered company, a co-operative society or any form of business organization, these three elements are to be reckoned as the most important variables in the working capital structure of a concern. With the link of these three factors Management of Working Capital has gained the most significant place in corporate management. In general, financial soundness and profitability of an organization largely depend upon the working capital management. It is rightly said, "Adequate working capital is advantageous

CONCLUSION

The Grameena Vyavasaya Sahakari Sangha Limited, Jali, has maintained a reasonable level of solvency position. The financial position of the institution analyzed by ratio analysis techniques and it is found that the liquidity and solvency position are satisfactory.

In short it can be concluded that the institution has been providing all round rural assistance and proved to be an institution where **"Growth with Social Justice"** exists.

On the whole, **The GrameenaVyavasayaSahakariSangha Limited,Jali** is successfully marching ahead with excellent management and term spirit. To quote the words of Charles Darwin: **"It is not the strongest of the species that survive, or the most intelligent, but the one most responsive to change"**. It should not get itself locked into a fixed pattern and shy away from gathering courage and commitment to explore new ways of doing things.