

Determinants of Turnover Assets Management on Bakery Enterprises

Sheremetynska Oxana

National University of Food Technologies, Kyiv, 68, Volodymyrska Street

Keywords: turnover assets, turnover assets management, raw materials

Demand

Some product can be easily sold by enterprises, in that business; you need small amount of turnover assets because your earned money from sale can easily fulfill the shortage of turnover assets. But, if demand is very less, it is required that you have to invest large amount of turnover assets.

Credit Policy

If company purchases all goods on credit and sells on cash basis or advance basis, then it is certainly company need very low amount of turnover assets. But if in company, goods are purchased on cash basis, and sold on credit basis, it means, our earned money will receive after sometime and we require large amount of turnover assets for continuing our business.

Turnover assets Cycle

Turnover assets cycle shows all steps which starts from cash purchasing of raw materials and then this converted into finished product, after this it is converted into sale, if it is credit sale, debtors will also the part of turnover assets cycle and when we gets money from our debtors, it is the final part of turnover assets cycle. If we receive costs from our debtors faster, we need small amount turnover assets. Otherwise, for purchasing new raw materials, we need more amount of turnover assets.

Price Level Changes

If there is increasing trend of products prices, we need to store high amount of turnover assets, because next time, it is precisely that we have to pay more for purchasing raw materials or other service expenses. Inflation and deflation are two major factors which decide the next level of turnover assets in business.

Effect of External Business Environmental Factors

There are many external business environmental factors which affect the need of turnover assets like fiscal policy, monetary policy, bank policy etc.