Organizations must manage their working capital management to meet their short-term obligations. It's important to consider working capital problems such as excess credit or a low cash balance. This is especially important when you propose new projects or investments. A business can get a competitive advantage in the marketplace if they manage these issues early. Directions Look at the business you selected for Project Two and the financial statements for the most recent fiscal quarter. Complete the calculations for determining working capital. Then tell how the financial statements help determine financial health. Specifically, you must address the following rubric criteria: Financial Statements: Explain the various financial statements needed to calculate a business’s working capital. Also explain how to use each financial statement for the calculation. Give examples to support your claims. Working Capital’s Role: Discuss how businesses that manage their working capital well stay healthy. Working Capital Interpretation: Use the correct formula to calculate working capital. Then discuss the business’s current financial liquidity position. For example, does the business have enough working capital ready to address bills to suppliers? Will there be potential cash inflow at the end of the year? Working Capital Management Trend: Discuss the business’s trend in how they manage their working capital. Remember that financial statements reflect a specific period of time and the value of the business’s working capital during that period. Use Mergent Online to find financial statements for earlier periods. This will give you a better sense of the business’s trend. What to Submit