

**“AN ANALYTICAL STUDY OF CASH MANAGEMENT WITH RELATION  
TO LIQUIDITY AND PROFITABILITY OF TIRUPATI URBAN  
CO-OPERATIVE BANK LTD, NAGPUR”**

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**ABSTRACT**

Cash being one of the pivotal aspects of any business organisation, its proper management by having an optimum cash balance plays a very significant role towards the profitability and liquidity of any concern. A business concern should always keep sufficient cash for meeting its obligations. The main aspect of cash management is to maintain an optimum cash balance. The objective of cash management is to avoid the situation of excessive and inadequate cash and to maintain optimum level of cash after achieving the profitability and liquidity so as to maximize the wealth of the shareholder as whole. This paper aims to study the optimum cash balance required by Tirupati Urban Co-operative Bank Ltd by applying Baumol's model. The major objective behind this research work is to find out the level of cash balance for the Financial Year 2013-2014, which was being maintained by the organization, to find out the estimated cash flows, to determine optimum cash balance by applying Baumol's model and also to determine the amount of opportunity cost forgone in case of excess cash balance.

**KEYWORDS:** Cash Management, Opportunity Cost, Baumol's Model, Surplus Cash, Receipts and Payments