

ABSTRACT

Cash Management plays a crucial role in the operations of a company today. Managers not only have to be concerned with managing their company's cash balances but at the same time maximizing returns on excess cash. Most often, managers and corporations tend to focus on investment returns whilst ignoring the disbursement and collection of cash. Too much concern for sales whilst neglecting the management of cash would soon lead the company into a liquidity problem.

The study is concerned with the cash collection of Tenaga Nasional. The study is confined to Tenaga Nasional Wilayah Persekutuan area. Wilayah Persekutuan was chosen due to its size, importance and complexity.

The results of the study show that by closely examining the various components of collection floats, causes of delays and bottlenecks can be determined. As a result of speeding up collection and at the same time reducing the float, Tenaga Nasional would release 'additional' funds of about RM 22.22 million per day to finance its operational and investment needs.