. A dealer wants to make sure that customers have options when they come on the lot. However, having too many cars means you have too much inventory which can also mean you have too much working capital. It is not liquid if you do not make the sale. On the other hand, you may have only a few cars and even if you sell them it is not enough to cover the short-term bills. A better question for you is how do you determine the right amount of working capital a business should have? I do believe that you will find the attached article interesting. <https://blackboard.strayer.edu/courses/1/FIN534167VA016-1218-001/db/_97550610_1/embedded/Working%20Capital%20Week%2010.pdf> Part 2 response one student below Working capital needs to be a balanced intiative in any business. Consider a lumber yard that has to pay for the lumber in bulk while only being able to sell it in much smaller parcels at a time. It is critical that they manage how much cash, inventory, short term debt, and liabilities they have at all times.