

[Total No. of Questions - 10] [Total No. of Printed Pages - 3]
(2063)

900

MBA 4th Semester Examination

Working Capital Management

FM-13

Time : 3 Hours

Max. Marks : 60

The candidates shall limit their answers precisely within the answer-book (40 pages) issued to them and no supplementary/ continuation sheet will be issued.

Note : Attempt five questions in all, Selecting one questions from each unit.

UNIT - I

1. 'Ratio Analysis is an effective tool used by the Management of a firm for better Planning and Control of working operations'. Discuss in the light of the above statement the Importance of Ratio Analysis in working Capital Management. Also explain the difference between current. Ratio and Acid-test Ratio. (12)
2. (a) Discuss about commercial paper as a source of financing working capital requirement of a firm. (6)
- (b) Explain the Role of Cash forecasting in cash management. Describe briefly any two methods of cash forecasting. (6)

UNIT - II

3. (a) Explain the objectives of Receivables Management. (6)

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(b) Briefly explain the purpose of the following models:

(i) Baumol Model

(ii) Miller-Orr Model.

(6)

4. What is Importance of working capital for a manufacturing firm? What shall be the repercussions if a firm has

(a) Paucity of working capital and

(b) Excess working capital.

(12)

UNIT - III

5. Explain the Criteria that a firm should use in choosing the marketable securities in order to invest surplus cash.

(12)

6. What is the significance of Inventory Control? Discuss the different models of Inventory Management.

(12)

UNIT - IV

7. "Analyzing the credit-worthiness of the customer is the most difficult task". In the light of this statement explain what is meant by credit analysis and how does a company assess the credit-worthiness of its customers?

(12)

8. (a) "It is the Quality and Not the Quantity of current assets that determines the liquidity position of a firm." Discuss.

(6)

(b) Discuss the key variables that should be considered while designing the credit policy of a firm.

(6)

UNIT - V

9. Explain and examine the Peculiar features of International Working Capital Management. **(12)**
10. Explain the features of different form of Bank Credit Prevailing in India. Distinguish between Pledge and hypothecation. **(12)**