

Third Semester M.B.A. Degree Examinations
June 2009
(Distance Education)

MBA DP FM - 303 : WORKING CAPITAL MANAGEMENT

Time : 3 Hours

Max. Marks : 75

SECTION-A

Note : 1. Explain the following.

2. Each one carries TWO marks.

1. a) Enlist the constituents of working capital.
- b) Mention the goals of credit policy.
- c) What are the various forms of inventory?
- d) What are the determinants of optimum cash balance?
- e) What is trade credit?

SECTION-B

Note : 1. Answer any FIVE of the following questions.

2. Each question carries SIX marks.

2. Discuss the merits and limitations of inadequate working capital.
3. Explain the role of financial manager in managing working capital.
4. Briefly explain the concept of operating cycle and its types.
5. Discuss the nature, cost and benefits of factoring services.
6. Explain the essential features of cash planning.
7. Explain the procedure involved in preparing cash budget.

SECTION-C

Note : Answer the following questions. Question Nos. 8 & 9 carry 10 marks each and 10 carries 15 marks.

8. a) Discuss with examples the factors that determine the working capital requirement of a firm.

OR

- b) Trace out the credit evaluation procedure for firms.

9. a) Explain the approaches for financing current assets.

OR

- b) Explain the methods of monitoring receivables.

10. Discuss various forms of working capital finance recently developed in India.

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