

(Following Paper ID and Roll No. to be filled in your Answer Book)

PAPER ID : 1280

Roll No.

--	--	--	--	--	--	--	--	--	--	--

MBA

(SEM. III) ODD SEMESTER THEORY

EXAMINATION 2013-14

MANAGEMENT OF WORKING CAPITAL

Time : 3 Hours

Total Marks : 100

Note :- Attempt questions from each Section as per instructions.

SECTION-A

1. Answer all **ten** parts of this question. Each carries **2** marks.
(2×10=20)
- (a) Define Working Capital.
 - (b) Explain the concept of permanent working capital.
 - (c) What is firm's operating cycle ?
 - (d) What are the objectives of holding cash ?
 - (e) What is Certificate of Deposits ?
 - (f) What is Credit Standards ?
 - (g) What is Cash Budget ?
 - (h) What is the purpose of holding Inventory ?
 - (i) Define the term Economic Order Quantity (EOQ).
 - (j) Explain the concept of Lock Box System.

SECTION-B

2. Answer any **three** parts of this question. Each carries **10** marks.
(10×3=30)
- (a) Discuss the concept of working capital. What are the various factors affecting working capital ?

SECTION-C

Note :- Answer all questions of this Section. Each carries 10 marks.

(10×5=50)

3. As the differences between the costs of short and long-term debt become smaller, which financial plan, aggressive or conservative, becomes more attractive ?

OR

Define the concept of Working Capital Management. What are the various dimensions of managing the Working Capital of a Manufacturing Company ?

4. What are the objectives of the financial manager in cash management ? What conditions must be satisfied in meeting these objectives ?

OR

What is Float ? What are the various ways to play with float ?

5. What is Credit Policy ? What are the various dimensions of credit policy ?

OR

What is Factoring ? Explain the various types of factoring.

6. What are the various tools and techniques available with the manager for managing his inventory ?

OR

What are the various factors/elements involved in the inventory carrying costs ? Explain with the help of some illustrative examples.

7. Define Marketable Securities. Explain the various types of marketable securities.

OR

Discuss the important findings of Dehejia Committee Report on working capital finance.