Sub Code: :MAMFM06

Paper Id: 910077 Roll No: | | | | | | | | | | | | | |

MAM
(SEM IX) THEORY EXAMINATION 2019-20
WORKING CAPITAL MANAGEMENT

Time: 3 Hours ***Total Marks: 100***

Note: Attempt all Sections. If require any missing data; then choose suitably.

SECTION A

1. Attempt *all* questions in brief. 2 x 10 = 20

a.	What are current assets?
b.	What is permanent and variable Working Capital?
c.	Explain the term credit policy.
d.	What are floats?
e.	Show a cash cycle.
f.	What is a lock box system?
g.	Explain the terms ordering cost & carrying cost.
h.	What are the various types of inventory?
i.	What is Bill discounting?
j.	Explain the term overdraft.

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SECTION B

2. Attempt any *three* of the following: 10x3=30

a.	What is Working Capital? Explain the need and importance of Working Capital.
b.	What benefits and costs are associated with various credit policies? Also explain how to achieve an optimum credit policy.
c.	Explain various ways of accelerating operating cash flows.
d.	What is ABC analysis? Explain with a suitable example.
e.	What are commercial papers? Explain the benefits and drawbacks of commercial papers as a source of working capital finance.

SECTION C

3. Attempt any *one* part of the following: 10x1 = 10

a.	Briefly enumerate various factors that help in determining Working Capital level in a firm.
b.	What are the various working capital policies? Explain with reason which is the most favourable policy of a Manufacturing firm.

4. Attempt any *one* part of the following: 10x1=10

a.	What are receivables? Explain the nature and cost of maintaining receivables.
b.	What is a collection policy? What are its objectives and how can a good collection policy is established.

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5. Attempt any *one* part of the following: 10x1 = 10

a.	Explain the ways by which a management may determine appropriate cash balance. Also explain the costs and benefits associated with holding cash.
b.	Briefly discuss about marketable securities. Also highlight various types of marketable securities.

6. Attempt any *one* part of the following: 10x1 = 10

a.	What is inventory management? Explain various objectives of inventory management.
b.	Define economic order quantity. Show how it is computed.

7. Attempt any *one* part of the following: 10x1 = 10

a.	What are the different ways of financing Working Capital?
b.	Discuss various features of Tandon Committee's recommendations.

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