

Code: 12E01302

MBA III Semester Regular Examinations April 2014

WORKING CAPITAL MANAGEMENT

(For students of Finance admitted in 2012 only)

Time: 3 hours

Max. Marks: 60

Answer any FIVE questions
All questions carry equal marks

- 1 Discuss distinguishing features of working capital decisions. Explain with help of illustrations different risks inherent in working capital management.
- 2 Discuss the various measures of profitability. Explain the relationship between profitability and working capital.
- 3 Discuss the utility of cash budget as a tool of cash management. What are the steps involved in the construction of a cash budget?
- 4 Discuss the effects of liberal versus stiff credit standards.
- 5 Distinguish between the following:
 - (a) Operating cycle and cash conversion cycle.
 - (b) ABC analysis and VED analysis as methods of inventory classification.
- 6 What do you mean by MIS? What are its important elements?
- 7 Write short notes on the following:
 - (a) Current assets and fixed assets.
 - (b) Euromarkets as a source of financing.
 - (c) Maximum permissible bank finance.
- 8 Write notes on:
 - (a) Tandon committee.
 - (b) Chore committee.
 - (c) Daheja committee.
