

Note:

- (i) Answer all the questions by choosing any one of the sub questions.
- (ii) Each question carries 10 marks.
- (iii) Please specify COs against each question.

Q1. (10 Marks)

a. Differentiate between Gross Working Capital and Net Working Capital. (CO3)

OR

b. Explain the importance of adequate working capital for a business enterprise. (CO2)

Q2. (10 Marks)

a. What are the different types of Working Capital? Explain with examples. (CO1)

OR

b. Explain how working capital influences liquidity and profitability. (CO2)

Q3. (10 Marks)

a. Discuss the internal and external factors influencing the amount of working capital. (CO1)

OR

b. Describe the various approaches/policies for determining working capital requirements. (CO4)

Q4. (10 Marks)

a. "Cash is unproductive." Comment the statement with motives of cash holding. (CO3)

OR

b. Explain the significance of the Current Ratio, Quick Ratio, and Working Capital Turnover Ratio. (CO2)

Q5. (10 Marks)

a. A manufacturing company provides you with the following data. Compute Operating Cycle days and number of Operating cycles in a year. (CO5)

Period Covered	365 days
Average creditors period allowed	28 days
Average total debtor outstanding	Rs 780
Raw material consumption	Rs 8600
Total Production Cost	Rs 24,400
Total cost of sales	Rs 18,100
Sales of the year	Rs 35,000

Value of Average stock:

Raw Material	Rs 480
Working In Progress	Rs 500
Finished Goods	Rs 650

OR

b. Anand private ltd has an annual cash requirement of Rs 16,50,000 per year. The company has an (CO5)