



END Term (Odd) Semester Examination November 2025

Roll no.....

Name of the Course: B.COM (H)

Semester: III SEMESTER

Name of the Paper: WORKING CAPITAL MANAGEMENT

Paper Code: BCH 303X

Time: 3 hours

Maximum Marks: 100

Note:

- (i) All the questions are compulsory.
- (ii) Answer any two sub questions from a, b and c in each main question.
- (iii) Total marks for each question is 20(Twenty)
- (iv) Each sub question carries 10 marks.

Q1.

(10 X2=20 Marks)

- a. i. On date, Raymond Bro. has been purchasing an item in lots of 900 units. This equates to a three-month supply. The cost per unit is \$12, the order cost is \$16 per order, and the carrying cost is 25%. Calculate Economic order Quantity?
ii. A retail clothing shop carries a line of men's jeans, and the shop sells 1,000 pairs of jeans each year. It costs the company \$5 per year to hold a pair of jeans in inventory, and the fixed cost to place an order is \$200. Find EOQ. CO4
- b. What are the factors which determine the Working Capital requirements of any Firm? CO1
- c. Explain Working Capital Management? What are the advantages of Working capital? CO1

Q2.

(10X2=20 Marks)

- a. What are the Objectives and Importance of Cash Management? CO2
- b. Write Short note on:
 - i. Baumol Model.
 - ii. Miller-Orr Model. CO2
- c. "Effective inventory management requires an effective control system for Inventories" In the light of this statement explain the various Inventory control techniques?

Q3.

(10X2=20 Marks)

- a. Write short note related to "Issue of Receivable Management":
 - i. Credit Policy.
 - ii. Credit Analysis. CO3
- b. Explain the concept of Factoring services? What are the types and functions of Factoring? CO3
- c. Define Receivable Management? What is the cost of maintaining receivables? CO3

Q4.

(10X2=20 Marks)

- a. Explain Inventory Management? What are the objectives of Inventory Management? CO 2
- b. Two components X and Y are used as follows:

Normal usage	300 units per week.
Maximum	450 units per week.
Minimum	150 units per week.



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Reorder Quantity X- 2000 units Y- 4000 units.

Reorder Period X- 4 to 6 weeks Y- 2 to 4 weeks.

Calculate for each component-

i. Reorder level ii. Maximum level iii. Minimum level iv. Average Inventory.

CO4

c. Explain the real-world application of Inventory management in Indian Industries? CO5

Q5. (10X2=20 Marks)

a. Define Working Capital Leverage? What are the Impacts of Working Capital Leverage?

CO 4

b. What is the role of Banking Institution in Working Capital Finance in India? CO 4

c. What are the Working Capital Strategies for improving the financial efficiency of a company?

CO2