



**NATIONAL OPEN UNIVERSITY OF NIGERIA**  
**14/16 AHMADU BELLO WAY, VICTORIA ISLAND, LAGOS**  
**SCHOOL OF MANAGEMENT SCIENCES**  
**MARCH/APRIL 2014 EXAMINATION**

**Course Code: BHM 745**

**Credit**

**Unit: 3**

**Course Title: WORKING CAPITAL MANAGEMENT**

**Time Allowed: 2 ½ Hrs**

**Instructions:**

- 1. Attempt question number one (1) and any other three (3).**
- 2. Question number 1 is compulsory and carries 25 marks while the other 3 questions carry 15 marks each.**
- 3. Present all your points in coherent and orderly manner.**

1. Explain the concept of business liquidity using a diagram  
**25marks**

2. Explain the following concept
  - (a) Cash Flow Forecast
  - (b) Cash Flow Forecasting
  - (c) Time Dimension**15marks**

3. (a) Explain what you understand by cash flow budgeting  
**5marks**  
(b) How many types of cash budget do you know? Name and describe them.  
**10marks**

4. Write short notes on the following
  - (a) Treasury bills
  - (b) Commercial bills
  - (c) Certificate of deposits**15marks**

5. (a) What is money market?  
**5marks**  
(b) List the broad objectives of money market  
**5marks**

(c) Name the important segments of money market  
**5marks**

6. Write the principles of banking lending  
**15marks**