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Total Pages: 3
13089

MBA/D-17
WORKING CAPITAL MANAGEMENT
Paper: MBA-FM-304

Time: Three Hours

Maximum Marks: 70

Note: Attempt any eight questions from Part-A carrying Five marks each and any Three questions for Part-B carrying Ten marks each. The length of each question should not exceed Three pages in Part-A and five pages in Part-B

Part-A

1. What are the basic kinds of working capital? Explain.
2. "The firm should have a balanced working capital position." Explain this statement giving dangers of excess working capital."
3. Explain and illustrate ABC Inventory Control System.
4. Explain various techniques that can be used for accelerating cash collections.
5. Define commercial paper, Explain its pros and cons.
6. Explain the main terms related to Receivable Management.
7. What are various forms of bank finance for financing working capital needs of a company? Explain their costs and benefits.
8. Differentiate between-Hypothecation, Pledge, Mortgage and Lien.
9. A manufacturing company has an expected usage of 50000 units in certain product during the next year. The cost of processing an order is Rs. 20 and carrying cost per unit is 0.50 for one year. Lead time on an order is five days and the company will keep a reserve supply of two day's usage. You are required to calculate (a) an economic order quantity and (b) the reorder point. (Assume 250 days year).
10. Explain the programming method for working capital management.

Part-B

11. What benefits and costs are associated with the extension of credit? How should they be combined to obtain an appropriate credit policy? Explain how credit analysis is made?
12. Explain and illustrate devices that are used for forecasting and budgeting cash.
13. Explain the following in relation to cash management :
 - (a) Clearing process for Cheques, demand drafts, refund orders ect.
 - (b) Baumol model.
 - (c) Beranek model.
 - (d) Delaying disbursements.
14. Describe with example various techniques of inventory management and valuation.
15. How would you determine the optimum level of current assets? Illustrate your answer. Explain the costs of liquidity and costs of illiquidity.