

MMS/D-16
WORKING CAPITAL MANAGEMENT
PAPER-FM-304

Time Allowed: 3 Hours

Maximum Marks: 70

Note: Attempt any eight questions from part-A. And any three Questions from part-B.

Part-A

1. Describe importance and kinds of working capital.
2. How is working capital affected by
 - (a) sales
 - (b) technology and
 - (c) inflation? Explain.
3. Explain and illustrate Economic Order Quantity technique of inventory management.
4. Describe meaning and objectives of management of cash flows.
5. Describe with illustration cash forecasting techniques.
6. What are the marketable securities? Explain strategies to invest in marketable securities.
7. Explain and illustrate 'Discriminant Analysis as a technique of receivable management.
8. Write a note on Programming working capital management.
9. Describe the benefits and cost of holding inventories.
10. Explain procedure of making credit analysis.

Part-B

11. Which methods do you suggest for estimating working capital needs? Illustrate your answer.

12. Explain the techniques that can be used to accelerate the firm's collection. Also explain any two models of determining the optimum level of cash balances.

13. Write short notes on the following :

- (a) Re-order point
- (b) Lead time
- (c) FIFO method
- (d) Credit scoring models
- (e) Credit analysis

14. Describe merits and demerits of various sources of short term financing.

15. A company is considering a selective inventory control using the following data :

Item	Units	Unit cost (Rs.)
1	6000	4.00
2	61200	0.05
3	16800	2.10
4	3000	6.00
5	55800	0.20
6	22680	0.50
7	26640	0.65
8	14760	0.40
9	20520	0.40
10	90000	0.10
11	29940	0.30
12	24660	0.50

Assuming the ABC analysis of selective control is indicated: arrange the data for presentation to the management.