

Roll No.

Total No. of Pages : 2

MMS/D11

6087

Working Capital Management

Paper : FM-305

Time : Three Hours]

[Maximum Marks : 70

Note :- Attempt **FIVE** questions in all. Question no. 1 is compulsory.
All questions carry equal marks.

1. Answer the following questions in brief :-
 - (a) Discuss the concept of Working Capital Management.
 - (b) Define marketable securities and motives for holding investment in marketable securities.
 - (c) Discuss the need for managing Cash Flows.
 - (d) Discuss the different measures of liquidity.
 - (e) Write a note on Beranek Model.
 - (f) Credit Analysis.
 - (g) What are different inventory control models ?
2. Discuss the various factors determining Working Capital requirements. Also discuss the relationship of risk and return in current asset management.
3. Discuss the motives for holding cash and significant factors that determine the cash balance. Also discuss how the cash flows are managed.
4. How a financial manager determine the optimum level of cash balances under Baumol Model and Miller-orr model ?
5. Compare and contrast credit standards and credit terms. How can credit standards and credit terms affect the amount invested in

receivables and the return on such investments ?

6. What is the significance of Economic Order Quantity ? What assumptions are necessary to use the basic economic order quantity (EOQ) model ?
7. Discuss the role of liquidity in management of funds. Also discuss the various sources for meeting the short-term financing requirements of the firm.
8. How the financial executives integrate the working capital and capital investment processes ?