

MASTER OF BUSINESS ADMINISTRATION  
(MBACN)

Term-End Examination  
December, 2012

MCNE-007 : WORKING CAPITAL MANAGEMENT

Time : 3 hours

Maximum Marks : 100

*Note : Attempt any five questions. All questions carry equal marks.*

1. Discuss various types of working capital. Also discuss different tools that could be used for analysing the working capital requirements of a firm. 20
2. Explain suitable reasons as to why the firms hold cash and marketable securities ? Also discuss various internal factors that affect the cash flow of firms. 20
3. Describe the relationship between the 'Liquidity' and the 'Profitability'. Discuss the impact of profitability and liquidity on the working capital decision. Give suitable example in support of your answer. 20

4. Explain the terms and conditions on which commercial paper may be issued by companies in India. Also explain the procedure for issuing commercial paper. 20
5. Discuss the merits and demerits of the cash credit system and loan syndication. 20
6. What do you understand by the concept of inventory management? Discuss its objective and methods for valuating inventory. 20
7. Describe the importance of cash management system for a firm. Explain various factors affecting cash management. 20
8. Write short notes (*any four*) : 4x5=20
- (a) Cash Credit Ratio (C.C.R.)
  - (b) Foreign Financial Markets
  - (c) Factoring as a tool of managing receivables
  - (d) Venture capital
  - (e) Mortgaged Backed Securities
  - (f) Port Folio Funds
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