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**MASTER OF BUSINESS ADMINISTRATION  
EVERONN (MBAEV)**

**Term-End Examination**

**June, 2013**

**MCNE-041 : WORKING CAPITAL MANAGEMENT**

*Time : 3 hours*

*Maximum Marks : 100*

*Note : Attempt any five questions.*

1. What is meant by working capital ? How will you measure working capital in a going concern ? 20
2. Explain and illustrate the utility of preparing a cash budget as a tool of cash management. 20
3. Define Receivable Management. Explain the various dimensions of receivable management. 20
4. "The management of inventory must meet two opposing needs". What are these ? How is a balance brought in these opposing needs ? 20
5. Discuss about commercial paper as a source of financing the working capital requirement of a firm. 20

6. Write notes on the following : 10+10=20
- (a) Liquidity and profitability in working capital decision
  - (b) Managing accounts payable
7. How is the decision to go for aggressive financing strategy for working capital influenced by riskreturn trade off considerations ? Explain. 20
8. (a) Discuss the Financing costs involved in estimation of managing the working capital. 10+10=20
- (b) Briefly explain the various issues involved in working capital management.
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