

**MANAGEMENT PROGRAMME**

**Term-End Examination**

**June, 2019**

02482

**MS-041 : WORKING CAPITAL MANAGEMENT**

*Time : 3 hours*

*Maximum Marks : 100*

*(Weightage : 70%)*

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

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1. Define working capital and discuss the tools of planning for working capital in an organization.
2. Explain the different approaches that are used for financing the working capital needs of a firm. Discuss their advantages and drawbacks.
3. What do you understand by the term trade credit ? Discuss the important components that constitute the credit policy of a firm.
4. Why should a firm invest in marketable securities ? Discuss the various types of marketable securities that are available to them for investment.

5. Describe the salient features of the 'maximum permissible bank finance system' adopted by banks for assessing the credit needs of a borrower.
  6. Explain 'Factoring' of Receivables and its mechanism. Distinguish between 'With Recourse' and 'Without Recourse' Factoring.
  7. Discuss the significance of payables as a source of finance. What are its advantages? How would you ensure the effective management of payables?
  8. Write short notes on any *four* of the following :
    - (a) Present Value Module
    - (b) Leading and Lagging
    - (c) Letter of Credit
    - (d) Decision Tree Model
    - (e) CVP Analysis
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