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MS-41

MANAGEMENT PROGRAMME (MP)

Term-End Examination

June, 2024

MS-41 : WORKING CAPITAL MANAGEMENT

Time : 3 Hours

Maximum Marks : 100

Weightage : 70%

Note : (i) *Attempt any five questions.*

(ii) *All questions carry equal marks.*

1. Explain the concepts of Working Capital. Discuss the various factors that affect the working capital requirement of a firm.
2. Why do firms invest in marketable securities ? Discuss the different types of securities available for investment under debt category.
3. What is the significance of Inventory Control ? Discuss the different models of inventory management.
4. What do you understand by credit-worthiness of a borrower ? What factors are taken into account to determine credit worthiness ?

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5. Define Commercial Paper (CP). Who are eligible to issue Commercial Paper ? Explain the process followed for issuing CPs.
6. (a) What do you understand by Prudential Norms for exposure limits ?
(b) Explain the Turnover Method of assessing working capital needs.
7. Discuss the various measures of profitability and explain the relationship between profitability and working capital.
8. Write short notes on any *four* of the following :
 - (a) Cash Reserve Ratio (CRR)
 - (b) Consortium lending
 - (c) Decision Tree Model
 - (d) Cash Credit System
 - (e) Bridge Loans