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MMPF-001

**MASTER OF BUSINESS
ADMINISTRATION (MBA)
Term-End Examination**

June, 2024

MMPF-001 : WORKING CAPITAL MANAGEMENT

Time : 3 Hours

Maximum Marks : 100

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

1. Explain the operating cycle. What are the other factors influencing the determination of working capital requirements of a firm ?
2. What do you understand by Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) ? How does a change in these ratios affect the availability of bank credit to business organisations ? Discuss.

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3. What is the need for credit evaluation of a customer ? Discuss the different credit evaluation models used for evaluating the credit worthiness of customers.
4. Discuss how can a firm create value through working capital management. Explain the principles laid down by Walker with respect to working capital investment.
5. Explain the objectives of working capital management in SMEs. How is working capital management in SMEs different from large firms ?
6. Describe the procedure for discounting of Bills. What are the advantages of discounting of Bills ?
7. Which factors are to be considered by MNCs in managing their working capital ? Discuss how inventory is managed in MNCs.

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8. Write short notes on any *four* of the following :

- (a) Payables
- (b) Bank Guarantee
- (c) Re-order point
- (d) Certificate of Deposit
- (e) Inter-Corporate Loans