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MANAGEMENT PROGRAMME/ P. G. DIPLOMA IN FINANCIAL MANAGEMENT (MP/PGDFM)

Term-End Examination

December, 2024

MS-41 : WORKING CAPITAL MANAGEMENT

Time : 3 Hours *Maximum Marks : 100*

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

(ii) All questions carry equal marks.

1. Explain the distinguishing features of matching, conservative and aggressive strategies for financing working capital with the help of illustrations. Under which circumstances each of these are suitable ?

2. What are Receivables ? Explain the important components of receivables management system.

3. Why do firms hold cash and marketable securities ? Discuss the internal factors that affect the cash flows of firms.

4. What is meant by Cash Credit System ? Explain its important merits and demerits.

5. What do you understand by factoring of Receivables ? How does it help in working capital management ? Discuss its mechanism and distinguish between with Recourse and without Recourse factoring.

6. Explain the meaning and significance of trade credit. Discuss the various factors that determine trade credit.

7. Explain the concept and significance of liquidity in a business enterprise. Discuss the ratios used to measure liquidity. How are these ratios computed ? Discuss.

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

   (a) Net Working Capital

   (b) Operating Cycle

   (c) Syndication of Credit

   (d) Statutory Liquidity Ratio (SLR)

   (e) Letter of Credit

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