

No. of Printed Pages : 4

MMPF-001

MASTER OF BUSINESS

ADMINISTRATION

(MBA)

Term-End Examination

December, 2025

MMPF-001 : WORKING CAPITAL

MANAGEMENT

Time : 3 Hours

Maximum Marks : 100

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

(ii) *All questions carry equal marks.*

1. Discuss the different types of working capital and their behaviour in different categories of firms. Also differentiate between Gross Working Capital and Net Working Capital.

2. What factors are taken into consideration, while designing the credit policy of a firm ? Discuss the five dimensions popularly called Five C's of credit analysis.
3. Explain the term 'Marketable Securities' and the need for investment in marketable securities. Discuss the different types of Marketable Securities.
4. How is value created through working capital management ? Explain the principles laid down by Walker with respect to working capital investment.
5. Explain the unique characteristics of Working Capital Management in SMEs. Discuss the determinants of working capital management in SMEs.
6. Which factors are to be considered by Multi-national Corporations (MNCs) in managing their working capital ? Discuss the issues in International Cash Management that need to be taken care of by an MNC.

7. Write short notes on any *four* of the following :
- Statutory Liquidity Ratio (SLR)
 - Trade Credit
 - Behavioural Biases
 - Economic Order Quantity
 - Commercial Papers
 - Mortgage
8. You are required to compute the duration of the operating cycle in days from the following information extracted from the books of a manufacturing firm :

Particulars	₹ '000
Average debtors (outstanding)	480
Raw material consumption	4,400
Total production cost	10,000
Total cost of sales	10,500
Sales for the year	16,000
Value of average stock maintained :	
Raw materials	320
Work-in-process	350
Finished goods	260

Additional information :

- (i) Period covered : 365 days per year for computation purposes.
- (ii) Average period of credit allowed by suppliers : 16 days.

x x x x x