No. of Printed Pages : 3 **MS–041**

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

Term-End Examination

June, 2026

MS-041 : WORKING CAPITAL MANAGEMENT

Time : 3 Hours *Maximum Marks : 100*

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

(ii) All questions carry equal marks.

1. What is 'Working Capital' ? Why is it important ? Discuss the impact of inflation on various components of working capital.

2. What do you understand by Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) ? Discuss how does a change in these ratios affect the availability of bank credit to business organisations.

3. (a) Describe the various attributes taken into consideration while analysing the credit worthiness of customers.

   (b) Explain how the 'Decision Tree Model' is used to create credit evaluation system.

4. What do you understand by 'Marketable Securities' ? Discuss various types of marketable securities.

5. What do you understand by 'Factoring of Receivables' ? Explain the mechanism of Factoring as a source of working capital by a Business Entity.

6. Explain the significance of 'Payables' as a Source of Finance. Discuss the determinants of Trade Credit.

7. Explain Exchange Rate Gyrations. Describe the various internal techniques of exposure management.

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

   (a) Cash Management

   (b) Economic Order quantity

   (c) Netting

   (d) Commercial Paper

   (e) Liquidity

   (f) Mortgage

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