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**FINAL EXAMINATION – JULY 2017**  
**MASTER OF BUSINESS ADMINISTRATION (MBA)**

**Second Year - Fourth Semester**  
**(Finance Group)**

**4MBA 8**

**Working Capital Management**

**Time : 3 Hours**

**Max Marks : 70**

**Min. Marks : 28**

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- Note :**
- (i) Attempt Any Four from section “A”**
  - (ii) Attempt Any Three from section “B”**
  - (iii) Section “C” is compulsory.**
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**SECTION – “A” (Any Four)**

**4 × 5 = 20**

- Q.1. Write short note on:- (Any four)
- (i) Disbursement of Cash
  - (ii) Components of working capital
  - (iii) Credit standards
  - (iv) Purpose of holding inventory
  - (v) Cost benefit analysis
  - (vi) Economic order Quantity

**SECTION – “B” (Any Three)**

**3 × 12 = 36**

- Q.2. “The excess of current assets over current liabilities is the net current assets or working Capital. Elucidate this statement with suitable example.
- Q.3. Describe the important motives for holding cash in a firm? Explain the factors determining the level of cash in a firm.
- Q.4. Mention the various steps involved in receivable management. Explain the method of credit appraisal.
- Q.5. The finance department of a Company offers the following information-
- (i) The carrying costs per unit of inventory are Rs 10
  - (ii) The fixed cost per unit are Rs20
  - (iii) The number of units required is 30000 per year.
- Determine the EOQ, total number of orders in a year and the time gap between two orders.

Q.6. Mention the short term sources of Working Capital Financing. Discuss the merits & demerits of public deposits.

**SECTION – “C”**  
**(Compulsory Question)**

**14**

Q.7. The following Comparative balance sheets of A.K. Industries ltd. Are presented to you:

Particulars	31st march		
	2009	2010	2011
Cash in hand	4000	5000	3000
Debtors	3000	2000	2500
Bills receivable	4000	5000	5500
Closing stock	1000	3000	6000
Investment (Marketable)	5000	4000	4000
Building	15000		
Furniture	8000	16000	20000
		6800	7000
	40000	41800	48000
Creditors	3000	2400	2000
Bank overdraft	2000	1400	2100
Debentures	10000	8000	9900
Share capital	25000	30000	34000
	40000	41800	48000

Show the trend in Working Capital position.

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**SECTION – “C”**  
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