



MBA(IB)IV/05.14 .0354

A

**MBA (INTERNATIONAL BUSINESS) DEGREE IV SEMESTER EXAMINATION
MAY 2014**

**SMI 2408 WORKING CAPITAL MANAGEMENT
(2012 Admissions)**

Time: 3 Hours

Maximum Marks: 50

**PART A
(Answer ALL questions)**

(5 x 2 = 10)

1. Why there should be optimum cash balance in an organisation?
2. What is the aggressive approach of working capital?
3. How do you determine the optimum inventory?
4. What do you understand by prudential norms?
5. What is an off balance sheet?

**PART B
(Answer ANY FIVE questions)**

(5 x 4 = 20)

6. Compare between marginal analysis and credit analysis.
7. Explain the concept of ageing of debtors.
8. Enumerate the risks associated with inventory.
9. What is meant by integration of working capital and capital investment?
10. Explain Miller-Orr model of cash management.
11. Working capital is the life blood of business. Justify.
12. Discuss the role of EOQ in inventory management.

**PART C
(Answer ANY TWO questions)**

(2 x 10 = 20)

13. Discuss the pros and cons of restructuring process of banking in India.
14. Critically analyse inventory control models.
15. The nature of the industry determines profitability and liquidity of working capital. Examine the statement with the help of an industry of your choice.