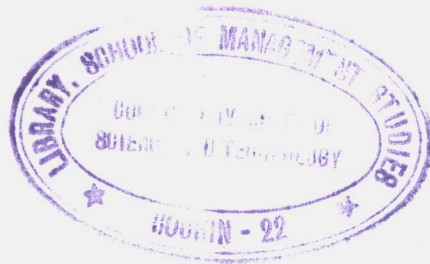


MBA(F)IV/05.14 .0342



MBA (FT) DEGREE IV SEMESTER EXAMINATION MAY 2014

SMS 2409 WORKING CAPITAL MANAGEMENT
(2012 Admissions)

Time: 3 Hours

Maximum Marks: 50

PART A

(Answer *ALL* the 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.