

PSG COLLEGE OF ARTS & SCIENCE  
(AUTONOMOUS)

BCom DEGREE EXAMINATION DECEMBER 2023  
(Fifth Semester)

Branch - COMMERCE (COST AND MANAGEMENT ACCOUNTING)

**DISCIPLINE SPECIFIC ELECTIVE – I: WORKING CAPITAL MANAGEMENT**

Time: Three Hours

Maximum: 50 Marks

**SECTION-A (5 Marks)**

Answer ALL questions

ALL questions carry EQUAL marks (5 x 1 = 5)

- 1 \_\_\_\_\_ working capital refers to the difference between current assets and current liabilities.  
(i) Zero (ii) Net  
(iii) Gross (iv) Distinctive
- 2 Working Capital Turnover measures the relationship of Working Capital with  
(i) Fixed assets (ii) Sales  
(iii) Purchases (iv) Stock
- 3 Receivables Management deals with  
(i) Receipts of raw materials (ii) Debtors collection  
(iii) Creditors management (iv) inventory management
- 4 The price reductions offered to customers for large orders, to encourage them to purchase in large quantities is known as \_\_\_\_\_.  
(i) Freebies (ii) Quantity discounts  
(iii) Normal Discounts (iv) Premiums
- 5 The art of managing, within the acceptable level of risk, the consolidated funds optimally and profitably is called \_\_\_\_\_.  
(i) Integrated treasury (ii) Treasury Management  
(iii) Merchant Banking (iv) None of the above

**SECTION - B (15 Marks)**

Answer ALL Questions

ALL Questions Carry EQUAL Marks (5 x 3 = 15)

- 6 a What are the components of Working Capital?  
OR  
b Why Working Capital Management is important for business?
- 7 a State the determinants of working capital financing mix.  
OR  
b Bring out the methods to measure working capital.
- 8 a Outline the factors affecting investments in receivables.  
OR  
b Summarise the objectives of receivables management.

Cont...

- 9 a Explain about the types of inventory.  
OR  
b State the method to manage cash flow.
- 10 a Write about the uses of money market instruments.  
OR  
b What is money market with its function and instruments?

**SECTION -C (30 Marks)**

Answer ALL questions

ALL questions carry EQUAL Marks

(5 x 6 = 30)

- 11 a What are the factors affecting Working Capital requirements?  
OR  
b Explain Working Capital Management theories and approaches.
- 12 a Explain the sources of financing of working capital requirements.  
OR  
b Discuss the various forms of bank credit.
- 13 a What are the advantages of receivable management?  
OR  
b Explain with an example about types of Accounts Receivables and Inventory Financing.
- 14 a What are the tools and techniques of inventory management?  
OR  
b How to determine optimum cash balance?
- 15 a Elaborately discuss the various committee's recommendations on working capital.  
OR  
b Elaborate the concept of financial flexibility and corporate liquidity.

Z-Z-Z

END