

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BCom DEGREE EXAMINATION DECEMBER 2022
(Fifth Semester)

Branch – COMMERCE (COST & MANAGEMENT ACCOUNTING)

DISCIPLINE SPECIFIC ELECTIVE – I : WORKING CAPITAL
MANAGEMENT

Time: Three Hours

Maximum: 75 Marks

SECTION-A (10 Marks)

Answer ALL questions

ALL questions carry EQUAL marks (10 x 1 = 10)

- 1 Working Capital is also known as
 - (i) Revolving Capital, Circulating Capital, Long –Term Capital
 - (ii) Revolving Capital, Circulating Capital, Short –Term Capital
 - (iii) Revolving Capital, Circulating Capital, Temporary Capital
 - (iv) Revolving Capital, Circulating Capital, Permanent Capital
- 2 Positive working capital refers to the
 - (i) Excess of current liabilities over current assets
 - (ii) Excess of current assets over current liabilities
 - (iii) Excess of Inventories over current liabilities
 - (iv) Excess of debtors over creditors
- 3 A /An _____ is a financial institution which offers services relating to management and financing of debts arising out of credit sales.
 - (i) Indigenous Banker
 - (ii) Factor
 - (iii) Commercial paper
 - (iv) Public deposits
- 4 Trade credit is a
 - (i) Short term source of finance
 - (ii) Long term source of finance
 - (iii) Spontaneous source of finance
 - (iv) Medium term source of finance
- 5 Which of the following does NOT form a part of operating cycle?
 - (i) Cash
 - (ii) Work in progress
 - (iii) Debtors
 - (iv) Creditors
- 6 Which of the following is not an inventory?
 - (i) Machines
 - (ii) Raw Materials
 - (iii) Finished Products
 - (iv) Consumable Tools
- 7 Which of the following statement is true for Inventory Control?
 - (i) EOQ has minimum total cost per order
 - (ii) Inventory carrying cost increases with quantity per order
 - (iii) Ordering cost decreases with lot size
 - (iv) All of the above
- 8 What are the various methods of estimating cash?
 - (i) Receipts and payment method
 - (ii) Adjusted profit & loss method
 - (iii) Balance sheet method
 - (iv) All of the above
- 9 Money market financial services not include:
 - (i) Bill discounting
 - (ii) Merchant banking
 - (iii) Leasing
 - (iv) Securitisation
- 10 As per the Lending norms of Tandon's Committee, in the first method the borrower will have to contribute a minimum of _____ of the working capital gap from long-term funds, i.e., owned funds.
 - (i) 10%
 - (ii) 25%
 - (iii) 30%
 - (iv) 50%

Cont...

SECTION - B (35 Marks)

Answer ALL Questions

ALL Questions Carry EQUAL Marks (5 x 7 = 35)

- 11 a State the objectives of Working Capital Management.
OR
b Show the charts to explain the Working Capital Management Theories and Approaches.
- 12 a Describe the sources of financing working capital requirements?
OR
b State the methods of measuring the working capital.
- 13 a Bring out the measures to be undertaken to maintain the Cost of Receivables?
OR
b Outline the Dimensions of Receivables Management.
- 14 a How to determine the Optimum Cash Balances?
OR
b Summarise the Benefits of Inventory Management?
- 15 a Explain the uses of Money Market Instruments.
OR
b Sketch the Corporate liquidity?

SECTION - C (30 Marks)

Answer any THREE Questions

ALL Questions Carry EQUAL Marks (3 x 10 = 30)

- 16 Enumerate the determinants of working Capital.
- 17 Elucidate the steps for Credit Evaluation.
- 18 Discuss in detail the factors Influencing Size of Receivables
- 19 Summarise the Tools and Techniques of Inventory Management.
- 20 Highlight the committee's recommendations on working capital.

Z-Z-Z END