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(FOR THE CANDIDATES ADMITTED

22UCF6E7

DURING THE ACADEMIC YEAR 2024-25 ONLY)

REG.NO. :

N.G.M.COLLEGE (AUTONOMOUS) : POLLACHI

END-OF-EVEN- SEMESTER EXAMINATIONS : MAY AND 2025

B.COM FINANCE

MAXIMUM MARKS: 50

SEMESTER - VI

TIME : 3 HOURS

**PART - III**

**22UCF6E7 & WORKING CAPITAL MANAGEMENT**

**SECTION - A (10 X 1 = 10 MARKS)**

**ANSWER THE FOLLOWING QUESTIONS.**

**(K1)**

1. Select the primary meaning of working capital.

- (a) The total assets of a company
- (b) The difference between current assets and current liabilities
- (c) The total liabilities of a company
- (d) The profits earned during an accounting period

2. Which of the following is NOT a commonly used approach to financing current assets?

- (a) Conservative approach
- (b) Aggressive approach
- (c) Matching approach
- (d) Arbitrage approach.

3. Show the transaction motive for holding cash refers to:

- (a) Holding cash to take advantage of investment opportunities
- (b) Holding cash to meet expected daily business expenses
- (c) Holding cash to meet unexpected emergencies
- (d) Holding cash to invest in long-term projects

4. What is the primary objective of receivables management?

- (a) Maximizing credit sales
- (b) Ensuring quick collection of receivables while maintaining sales
- (c) Increasing the number of customers without considering their creditworthiness
- (d) Avoiding all credit sales

5. What are the types of inventories typically held by a business?

(a) Raw Materials (b) Work-in-Progress (WIP) (c) Finished Goods (d) All of the above

**ANSWER THE FOLLOWING QUESTIONS IN ONE (OR) TWO SENTENCES - (K2)**

- 6.Explain the ‘working capital management’s important.
- 7.Define the“spontaneous sources of finance” with an example.
- 8.Interpret the “main facets of cash management”
9. Indicate the“receivables management”
10. Explain the “key inventory control systems”

**SECTION – B. (5 X 3 = 15 MARKS)**

**ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS. (K3)**

11. a). Describe” the components of working capital”.  
**(OR)**  
b). Interpret “the working capital lifecycle”
12. a).Explain the role of commercial papers in corporate financing.  
**(OR)**  
b).Examine the different approaches to financing current assets.
13. (a).Dramatize the importance and methods of long-term cash forecasting.  
**(OR)**  
(b).Find the various investment options for surplus cash.
14. a).Interpret the credit policy variables?  
**(OR)**  
b).Sketch the main objectives of receivables management?
15. a).Apply the ‘need to hold inventories.  
**(OR)**  
b).Assess the ‘analysis of investment in inventory’.

**SECTION – C (5 X 5 = 25 MARKS)**

**ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS.**

**(K4 (Or) K5)**

16. a).Appraise the determinants of working capital requirements.  
**(OR)**  
b). Justify the role of a finance manager in working capital management.

17. a).Classify the different types of short-term bank finance available to businesses?  
**(OR)**  
b).Discuss the various committees on working capital finance in India.

18. a).Evaluate the facets of cash management and its importance in business.  
**(OR)**  
b).Discuss the different motives for holding cash.

19. a).Interpret the importance of credit evaluation in receivables management.  
**(OR)**  
b). Analyse the company effectively control its receivables.

20. a). Evaluate the main objectives of inventory management.  
**(OR)**  
b).Justify the nature of inventories and their importance in business.

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