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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.
