

**(FOR THE CANDIDATES ADMITTED
DURING THE ACADEMIC YEAR 2023 ONLY)**

No. of pages : 2

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REG NO:

**N.G.M.COLLEGE (AUTONOMOUS): POLLACHI
END-OF-SEMESTER EXAMINATIONS: APRIL- 2026
B.Com -FINANCE
SEMESTER: VI
MAXIMUM MARKS: 75
TIME: 3 HOURS**

**PART - III
WORKING CAPITAL MANAGEMENT**

SECTION – A (10 X 1 = 10 MARKS)

ANSWER THE FOLLOWING QUESTIONS.

1. Working capital is defined as:_____
 - a) Fixed assets minus liabilities
 - b) Current assets minus current liabilities
 - c) Total assets minus fixed assets
 - d) Capital employed
2. Which approach to financing current assets involves higher risk and higher return?
 - a) Conservative approach
 - b) Matching approach
 - c) Aggressive approach
 - d) Traditional approach
3. The precautionary motive for holding cash is mainly due to:_____
 - a) Regular payments
 - b) Speculative opportunities
 - c) Unexpected contingencies
 - d) Profit maximization
4. The main objective of receivables management is to:_____
 - a) Increase credit sales at any cost
 - b) Minimize investment in fixed assets
 - c) Reduce bad debts and improve cash flow
 - d) Eliminate credit sales completely
5. Which inventory control technique focuses on items with the highest value?
 - a) ABC analysis
 - b) EOQ
 - c) JIT
 - d) VED analysis

ANSWER THE FOLLOWING IN ONE (OR) TWO SENTENCES. K2

6. Define Working Capital Life Cycle
7. State the meaning of Aggressive approach
8. Define cash budgeting
9. Explain the meaning of Receivables management
10. Define Inventory management

SECTION – B (5 X 5 = 25 MARKS)

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

11. a) Examine the Importance of Working Capital Management
(OR)
b) Sketch Optimize the Working Capital Life Cycle?

12. a) Describe the Advantages of the Aggressive Approach.

(OR)

b) Describe the source of fiancé for working capital requirements.

13. a) Interpret the objectives of Cash Management.

(OR)

b) Discuss the factors determining the cash needs of a firm.

14. a) Explain the Objectives of Receivables Management

(OR)

b) Examine the nature and goals of credit policy.

15. a) Discuss the objectives of inventory management.

(OR)

b) Examine the need to hold inventories in a business.

SECTION – C

(5 X 8 = 40 MARKS)

ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS. K4 & K5

16. a) Discuss the Factors Influencing Working Capital Requirements

(OR)

b) Evaluate the roles of finance manager in working capital management

17. a) Discuss the advantages and disadvantages of the Conservative Approach

(OR)

b) Evaluate the Committees on Working Capital Finance in India

18. a) Discuss the Advantages of Cash Budgeting

(OR)

b) Influence the Techniques for Controlling and Monitoring Collections

19. a) Discuss the Techniques for Effective Receivables Management

(OR)

b) Influence the Advantages and Disadvantages of Cash Discounts

20. a) Discuss the Inventory Management Techniques

(OR)

b) Interpret the analysis of investment in inventory in working capital management.
