19U689S

Name: Reg. No: Maximum: 80 Marks Part A d. Gross c. Temporary b. Fixed assets d. Current assets minus current liabilities. b. Cost of Goods Sold d. Total Assets. b. Cost of Goods Sold d. Closing Stock. b. Total Inventory Cost d. Safety Stock Level. $(10 \times 1 = 10 \text{ Marks})$

(Pages: 3) (CUCBCSS-UG) (Core Course) b. Net

Time: Three Hours

SIXTH SEMESTER B.B.A DEGREE EXAMINATION, APRIL 2022 CC16U BB6 B15 - WORKING CAPITAL MANAGEMENT (2016 to 2018 Admissions – Supplementary/Improvement) Answer all questions. Each question carries 1 mark. 1. The amount of current assets that varies with seasonal requirements is referred to as 2. To financial analysts, "net working capital" means the same thing as 3. Inventory Turnover measures the relationship of inventory with: 4. In Inventory Turnover calculation, is taken in the numerator? 7. Length of cycle influences the amount of working capital 9. The excess of current assets over current liability is called

- working capital.
 - a. Permanent
- a. Total assets
 - c. Current assets
- - a. Average Sales
 - c. Total Purchases
- - a. Sales
 - c. Opening Stock
- 5. EOQ is the quantity that minimizes
 - a. Total Ordering Cost
 - c. Total Interest Cost
- 6. Inventory is the component of the asset.
- 8. Baumol model is a model for management
- 10. ABC analysis is used in management

Part B

- Answer any *eight* questions. Each question carries 2 marks.
- 11. What are the sources of working capital?
- 12. What is meant by cash flow statement?
- 13. What is ABC analysis?

(1)

Turn Over

14. What do you mean by working capital?

15. What is inventory?

16. What is economic order quantity?

17. What do you mean by cash management?

18. What does the term liquidity means?

19. What is cash discount?

20. What is stock turnover ratio?

Part C

Answer any *six* questions. Each question carries 4 marks.

21. What are the different types of working capital?

22. What are the objectives of cash Management?

23. Explain the role of finance management in inventory management?

24. Explain cash management?

25. Explain the concept of working capital?

26. What is non-current forecast method?

27. Explain the components of working capital?

28. What are the factors determining cash needs?

 $(6 \times 4 = 24 \text{ Marks})$

 $(8 \times 2 = 16 \text{ Marks})$

Part D

Answer any two questions. Each question carries 15 marks.

29. What are the factors affecting working capital?

30. What are the Inventory control techniques?

31. A proforma cost sheet of a company provides the following particulars:

Elements of cost	Amount per unit Rs.
Raw materials	80
Direct labour	30
Overheads	60
Total costs	170
Profit	30
Selling price	200

The following further particulars are available: Raw materials are in stock on an average for one month. Materials are in process on an average for half a month. Finished goods are in stock on an average for one month. Credit allowed by suppliers by one month. Credit allowed to customers is two months. Lag in payment of wages is one and half weeks. Lag in payment of overhead expenses is one month.

One fourth of the output is sold against cash. Cash in hand and at bank is expected to be Rs.25, 000.

You are required to prepare a statement showing the working capital needed to finance a level of activity of 1, 04, 000 units of production. You may assume that production is carried on evenly throughout the year, wages and overhead accrue similarly and a time period of 4 weeks is equivalent to a month.

 $(2 \times 15 = 30 \text{ Marks})$