

Roll No.

Total No. of Pages : 02

Total No. of Questions : 07

BBA. (Sem.-6th)
BANKING AND WORKING CAPITAL MANAGEMENT

Subject Code : BB-605

Paper ID : [C0233]

Time : 3 Hrs.

Max. Marks : 60

INSTRUCTION TO CANDIDATES :

1. SECTION-A is COMPULSORY.
2. Attempt any FOUR questions from SECTION-B.

SECTION-A **(10 × 2 = 20 Marks)**

1. Write short notes on :
 - (a) Current Assets
 - (b) Fluctuating Working Capital
 - (c) Reorder Level
 - (d) EOQ
 - (e) Inventory Ordering Cost
 - (f) LIFO
 - (g) Cash Conversion Cycle
 - (h) Cash Forecasting
 - (i) Credit Period
 - (j) Motives for Inventory Holding

SECTION-B **(4 × 10 = 40 Marks)**

2. “Working Capital decisions deal with decisions ensuring an optimum mix and level of current assets and current liabilities.” Elucidate. (10)
3. Discuss the speculative and protective motives of cash management. Critically discuss various factors determining the optimum cash balance.

(10)

4. What do you mean by EOQ? Discuss the importance of EOQ model in inventory management. Also discuss the limitations of EOQ model. (10)
5. What do you mean by a credit policy? Why does a firm need it? How is it evaluated ? (10)
6. *“Working capital management decision involves a trade-off between liquidity and profitability of the firm”*. Critically discuss the statement. (10)
7. Write short note on the following :
 - (a) Terms of Credit
 - (b) Objectives of Receivables Management (10)