

Roll No.

Total No. of Pages : 02

Total No. of Questions : 07

BBA(2009 to 2011 Batch) (Sem.-6)
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** consisting of **TEN** questions carrying **TWO** marks each.
2. **SECTION-B** contains **SIX** questions carrying **TEN** marks each and a student has to attempt any **FOUR** questions.

SECTION A

1. Explain briefly :

- (a) Reorder Level
- (b) Temporary Working Capital
- (c) EOQ
- (d) Current Assets
- (e) Inventory Carrying Cost
- (f) LIFO
- (g) Cash Conversion Cycle
- (h) Cash Forecasting
- (i) Credit Period
- (j) Motives for Holding inventory

SECTION B

2. *“Working Capital decisions deal with decisions ensuring an optimum mix and level of current assets and current liabilities.”* Elaborate.
3. Discuss the speculative and protective motives of cash management. Critically discuss various factors determining the optimum cash balance.
4. What are the various tools of inventory management? Explain in detail.
5. What do you mean by a Credit Policy? Why does a firm need it? How is it evaluated?
6. What is meant by Factoring? Explain its process in detail.
7. Discuss whether Working capital management decision involves a trade-off between liquidity and profitability of the firm or not.