

Total No. of Pages : 02

Total No. of Questions : 07

BBA (Sem.-6)

BANKING AND WORKING CAPITAL MANAGEMENT

Subject Code : BB-605

Paper ID : [C0233]

Time : 3 Hrs.

Max. Marks : 60

INSTRUCTIONS 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 students have to attempt any **FOUR** questions.

SECTION-A

Q1 Write briefly :

- Letter of credit
- Cash management cycle
- VED analysis
- Importance of working capital
- LIFO Vs FIFO methods of pricing issue of Raw material
- Speculative Motive
- Factoring
- Cost of holding inventory
- Safety stock
- Seasonal working capital with example.

SECTION-B

- Q2 How would you determine the optimum level of current assets? Illustrate your answer.
- Q3 What are the various factors that affects the working capital needs of the firm?
- Q4 How can the appropriate level of operating cash balance be determined? How does uncertainty affect this problem?
- Q5 Write the detailed note on credit management system.
- Q6 Discuss the various dangerous situations that management should usually avoid in controlling inventories. Identify the danger points and explain.
- Q7 Define the economic order Quantity. How is it computed?

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