

B.P College of Business Administration
SEM-VI Subject: BBA 23 Financial Management – II
Assignment No. – 1, Date: 17 – 11 – 2014

Based on Chapters:1, 5

Chapter 1:

Introduction to Working Capital Management

1. What are the concepts of working capital? Explain with the help of appropriate examples including various components of working capital.
2. What are the types of working capital? Give suitable examples and show diagrams.
3. What is operating cycle? What are the components of operating cycle? What do they signify? Give a graphical presentation and an example to illustrate your answer.
4. Explain the operating cycle approach for estimation of working capital. Show a pro-forma for the estimation and give formulae for computation.
5. What are the factors influencing working capital requirement? Discuss their effects.
6. What are the policies for maintaining level of current assets? What are their effects on the business? How can we determine optimum level of current assets?
7. What are the strategies available for financing of current assets? Give graphical representation and discuss the effects of these policies.

Chapter 5:

Sources of Working Capital Finance

1. Discuss Commercial Paper as a source of short term finance
2. Explain Inter Corporate Deposit as a source of working capital finance.
3. Trade Credit & Accruals are important sources of short term finance. – Give your views.
4. Write a note on the following:
 - (i) Public Deposits; (ii) Short Term Loans by Financial Institutions
5. What are the modes of bank finance available for working capital needs? Discuss.
6. What is factoring? What are the types of factoring?
7. Discuss the mechanism of factoring and give merits and demerits of factoring.
8. What are the steps normally followed while obtaining working capital finance.