



Reg.No:

**SNS College of Technology, Coimbatore-35.  
(Autonomous)**

**Internal Assessment - III  
Academic Year 2023-2024 (Even)  
Fourth Semester**

**B**

**Department of Management Studies**

**19BAE711 – Working Capital Management**

**Time: 1 ½ Hours**

**Maximum Marks: 50**

**PART A**

(5 \* 2 Marks = 10 Marks)

**Answer all the questions**

	CO	Bloom	Marks
1. Name any two advantages of factoring.	CO 4	U	2
2. Name any two advantages of direct cash dealing with customers.	CO 4	An	2
3. Define receivables management.	CO 4	U	2
4. Define credit policy	CO 4	U	2
5. Name any two credit control mechanism.	CO 4	R	2

**PART B**

(2 \* 13 Marks = 26 Marks & 1\*14 Marks = 14 Marks)

6. a. Receivables Management can protect the company from cash crunch – Justify your views.	CO 4	An	13
(or)			
b. Discuss how credit policies influence the company cash flow.	CO 4	An	13
7. a. Discuss the different methods to manage cash receivables.	CO 4	An	13
(or)			
b. Preparation of cash budget helps to invest surplus cash – Justify your views.	CO 4	An	13
8 a. On-Demand Trucking is a startup transportation carrier that works with retailers to move goods from their distribution centers to their stores. Though sales are strong for On-Demand, and they've signed 4 clients in their first 8 months of business, they've dealt with cash flow issues. Their major retail clients pay on terms of 45 days or later (75 for the slowest payer). Though they have happy clients and	CO 4	An	14

are generating revenue, they have business expenses that must be paid sooner than they get paid. Without invoice factoring, On-Demand would struggle to stay in business as it does not have enough cash to pay salaries and cover fuel and maintenance costs.

Comment on the role of factoring in this situation.

or

- b. Differentiate the concept of factoring with forfeiting with an example. CO 4 An 14

\*Abbreviations: CO: Course Outcome, R: Remember, U: Understand, APP: Apply, An: Analyze, E: Evaluate, C: Create

\*\*\*\*\*

**Course Faculty**

**Teaching Coordinator**

**HOD / MBA**