Assignment-1

The due date for submitting this assignment has passed. Due on 2019-08-14, 23:59 IST. As per our records you have not submitted this assignment.

1) Working capital management is concerned with the inter-relationship existing between

- Total assets and total liabilities
- Total assets and current liabilities
- Current assets and total liabilities
- Current assets and current liabilities

No, the answer is incorrect.
Score: 0
Accepted Answers: Current assets and current liabilities

2) Which of the following is/are the objective(s) of Working Capital Management

- Maximisation of firm’s value
- Optimum investment in current assets
- Adequate liquidity
- All of the above

No, the answer is incorrect.
Score: 0
Accepted Answers: All of the above

3) Net working capital means:
4) When current assets are less than current liabilities, then the net working capital is:

- More than one
- Less than one
- Zero
- Can’t be calculated

No, the answer is incorrect.
Score: 0
Accepted Answers:
Current assets minus current liabilities

5) Which current asset among the following is the most liquid:

- Prepaid Expenses
- Marketable securities
- Sundry Debtors
- Inventory

No, the answer is incorrect.
Score: 0
Accepted Answers:
Marketable securities

6) Which among the following is not a current liability?

- Debentures
- Interest payable
- Accrued Expenses
- Accounts Payable

No, the answer is incorrect.
Score: 0
Accepted Answers:
Debentures

7) Which among the following is a current asset?

- Patents
- Plants & Equipment
- Goodwill
- Advance Deposits

No, the answer is incorrect.
Score: 0
Accepted Answers:
Advance Deposits

8) Permanent Working Capital is

- Total assets minus current assets
- Current assets minus current liabilities
- Total assets minus total liabilities
- Current assets minus total liabilities

No, the answer is incorrect.
Score: 0
Accepted Answers:
Current assets minus current liabilities

https://onlinecourses.nptel.ac.in/noc19_mg40/unit?unit=5&assessment=101
- the working capital that fluctuates with the season and the occurrence of special events
- the minimum amount of working capital that must always remain invested
- drawn from short term sources
- Both (b) and (c)

No, the answer is incorrect.
Score: 0
Accepted Answers:  
the minimum amount of working capital that must always remain invested

9) Level of current assets in any firm are said to be minimum due to the reason that: 1 point

- Current assets are least productive
- Current assets are most productive
- Current assets don’t have any set pattern of returns
- Current assets and fixed assets are equally productive

No, the answer is incorrect.
Score: 0
Accepted Answers:  
Current assets are least productive

10) A highly risk averse company will use which of the following approaches for the management of its working capital? 1 point

- Hedging Approach
- Aggressive Approach
- Conservative Approach
- Any of the above

No, the answer is incorrect.
Score: 0
Accepted Answers:  
Conservative Approach

11) The working capital approach that utilises long-term sources for financing long-term assets i.e. fixed assets and a part of permanent working capital; and short-term sources for financing temporary working capital is: 1 point

- Hedging Approach
- Aggressive Approach
- Conservative Approach
- Any of the above

No, the answer is incorrect.
Score: 0
Accepted Answers:  
Hedging Approach

12) An organisation’s inability to manage its working capital will lead to: 1 point

- Low Liquidity
- Insufficient inventory
- Insolvency
- All of the above

No, the answer is incorrect.
Score: 0
Accepted Answers:

All of the above