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## Unit 4 - Week 3

### Course outline

#### How to access the portal

#### Week 1

#### Week 2

#### Week 3

- Weighted Operating Cycle (unit? unit=19&lesson=20)
- Working Capital Requirement Assessment-I (unit? unit=19&lesson=21)
- Working Capital Requirement Assessment-II (unit? unit=19&lesson=22)
- Assessing Working Capital Requirements- Problem 2 & 5 (unit? unit=19&lesson=23)

## Assignment-3

The due date for submitting this assignment has passed. **Due on 2019-08-21, 23:59 IST.**  
As per our records you have not submitted this assignment.

1) The correct order of the stages of operating cycle is: **1 point**

- The raw material and inventory stores stage > work-in-progress stage > receivables stage > finished goods inventory stage
- The raw material and inventory stores stage > receivables stage > work-in-progress stage > finished goods inventory stage
- The raw material and inventory stores stage > work-in-progress stage > finished goods inventory stage > receivables stage
- Any of the above

No, the answer is incorrect.  
Score: 0

Accepted Answers:

*The raw material and inventory stores stage > work-in-progress stage > finished goods inventory stage > receivables stage*

2) Which one of the followings is a method of estimating working capital requirements? **1 point**

- Current Assets Holding Period Method
- Ratio of Sales Method
- Ratio of Fixed Investment Method
- All of the above

No, the answer is incorrect.  
Score: 0

Accepted Answers:

Working Capital Requirement- The Conclusion (unit? unit=19&lesson=24)

Quiz : Assignment-3 (assessment? name=103)

Solution for Assignment 3 (unit? unit=19&lesson=118)

Week 4

Week 5

Week 6

Week 7

Week 8

Week 9

Week 10

Week 11

Week 12

WEEKLY FEEDBACK

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*All of the above*

3) Which of the followings may not be a reason of prolonged operating cycle? **1 point**

- Purchase of materials in excess of requirements
- Failure to get trade/cash discounts
- Getting credit from suppliers, employees
- Inability to purchase during seasons

No, the answer is incorrect.  
Score: 0

Accepted Answers:

*Getting credit from suppliers, employees*

4) Which of the following step(s) can help to reduce the operating cycle? **1 point**

- Proper purchase Management
- Production Management
- Proper HR Management
- All of the above

No, the answer is incorrect.  
Score: 0

Accepted Answers:

*All of the above*

5) Current assets to total assets ratio is normally calculated to study: **1 point**

- the effect of level of current assets on profitability
- the effect of level of current assets on profitability
- the effect of level of current assets on profitability and risk
- None of the above

No, the answer is incorrect.  
Score: 0

Accepted Answers:

*the effect of level of current assets on profitability and risk*

6) An increase in the ratio of Current Assets to Total Assets will result in: **1 point**

- Increased profitability as well as risk
- Decreased profitability as well as risk
- Increased profitability but decreased risk
- Decreased profitability but increased risk

No, the answer is incorrect.  
Score: 0

Accepted Answers:

*Decreased profitability as well as risk*

7) The effect of decrease in current liabilities to total assets Ratio would be: **1 point**

- Profitability will decrease
- Risk will decrease
- No effect
- Both profitability and risk will decrease

No, the answer is incorrect.  
Score: 0

Accepted Answers:

*Both profitability and risk will decrease*

8) The major disadvantage(s) of Hedging Approach is/are: **1 point**

- Frequent efforts are required to arrange funds
- The risk is increased as the firm is vulnerable to sudden shocks
- The cost of financing is higher
- Both a & b

No, the answer is incorrect.

Score: 0

Accepted Answers:

*Both a & b*

9) As per conservative approach of WCM, the level of Net working capital would normally be: **1 point**

- Highest
- Lowest
- Nil
- None of the above

No, the answer is incorrect.

Score: 0

Accepted Answers:

*Highest*

10) Efficient management of working capital demands **1 point**

- Building any level of inventory in the firm
- Creating optimum level of inventory in the firm
- Creating minimum level of inventory in the firm
- Creating maximum level of inventory in the firm

No, the answer is incorrect.

Score: 0

Accepted Answers:

*Creating optimum level of inventory in the firm*

11) Gross Working Capital is the capital invested in **1 point**

- Total Assets
- Total Assets minus Total Liabilities
- Total Current Assets
- Current Assets minus Current Liabilities

No, the answer is incorrect.

Score: 0

Accepted Answers:

*Total Current Assets*

12) Inadequate working capital in a firm might lead to: **1 point**

- Loss of Reputation of the firm
- Inability to pay day-to-day expenses
- Difficulty in undertaking profitable projects
- All of the above

No, the answer is incorrect.

Score: 0

Accepted Answers:  
*All of the above*