

MS-41

Management Programme

**ASSIGNMENT
FIRST SEMESTER
2010**

MS-41: Working Capital Management



**School of Management Studies
INDIRA GANDHI NATIONAL OPEN UNIVERSITY
MAIDAN GARHI, NEW DELHI-110 068**

ASSIGNMENT

Course Code	:	MS-41
Course Title	:	Working Capital Management
Assignment Code	:	MS-41/SEM-I/2010
Coverage	:	All Blocks

Note: Please attempt all the questions and send them to the Coordinator of the Study Centre you are attached with.

Q. 1. What is the Role of Central Bank in designing and implementing monetary and credit Policy? Highlight the main points of the latest monetary and credit policy declared by Reserve Bank of India.

Q.2 XYZ Ltd. plans to sell 30,000 units next year. The expected cost of goods sold is as follows:

	(Rs. per unit)
Raw material	100
Manufacturing expenses	30
Selling, administration & financial Exp.	20
Selling price	200

The duration at various stages of the operating cycle is expected to be as follows:

Raw materials stage	2 months
Work-in-process stage	1 month
Finished goods stage	½ month
Debtors stage	1 month

You are required to:

- (i) calculate the investment in various current assets, and
- (ii) estimate the gross working capital requirement if the desired cash balance is 5% of the gross working capital requirements.

Assume the monthly sales level of 2,500 units.

Q3. Discuss in detail about Factoring of Receivables? What do you mean by “with recourse and without recourse Factoring”? Also explain the mechanism of Factoring.

Q4. “Working capital module simulates the integration of working capital components into the capital investment (CI) process”. Give the objectives and explanation of the operation of each module that forms a part of the working capital – capital investment process. Also highlight the sequential operation of the WC module.

Q5. Select a company of your choice and collect the financial statements of that company for past 3 years. Calculate the ratios which are relevant to the working capital management of that company.

MS-42

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MS-42: Capital Investment and Financing Decisions



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ASSIGNMENT

Course Code	:	MS-42
Course Title	:	Capital Investment and Financing Decisions
Assignment Code	:	42/TMA/SEM-I/2010
Assignment Coverage	:	All blocks

Note: Please attempt all the questions and send it to the Coordinator of the study center you are attached with

- Ques.1 What is cost of Capital? Explain how cost of capital is calculated for individual components of Capital?
- Ques.2 Explain the various methods used for evaluating investment proposals.
- Ques.3 What is Social Cost Benefit Analysis? Make a social Cost Benefit Analysis of any important national project of your choice.
- Ques.4 Explain the various techniques which are used for measurement of project risk.
- Ques.5 Explain the various non traditional sources of long term financing.
- Ques.6 What is corporate restructuring? What motivates an enterprises to engage in restructuring exercise?

MS-43

Management Programme

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2010**

MS-43: Management Control Systems



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ASSIGNMENT

Course Code	:	MS-43
Course Title	:	Management Control Systems
Assignment Code	:	MS-43/SEM-I/2010
Coverage	:	All Blocks

Note: Please attempt all the questions and send them to the Coordinator of the Study Centre you are attached with.

- Q1. Discuss the different models that could be used for formulating business unit strategies. Also explain the inter-linkages and interface between strategies and management control.
- Q2. Explain the different aspects and issues relating to target profit setting, budgeting process and performance reports of profit centres.
- Q3. Choose and study any firm /organization of your choice that has implemented ERP and prepare a detail report on your findings?
- Q4. What is control system? Why is it required in case if a project is treated as a profit centre? What difficulties do you foresee in operationalising a control system?
- Q5. Study the case 'Bengal steel Limited' given in Block-5 and give an evolution of it's performance appraisal system.