Iqra National University

Peshawar

Department of Business Administration

Spring semester- 2020 Course title: Working Capital Management Program: MBA/MS Total Marks: 30 Instructor: Dr. Abid Usman Mid assignment

Q.1. A. Some firms finance their working capital with short term financing. What impact would this decision have on their profitability and risk? Marks-04

B. Some companies finance their seasonal current assets with long term financing. What impact would this policy has on their profitability and risk? Marks-04

C. If the firm follows Hedging approach to financing, how would it finance its current assets?

Marks-04

Q.2. A. Discuss the important variables in selection of the marketable securities for investment.

Marks-03

B. What is meant by net float? How a company can play with its float through controlling its disbursement. Marks-05

Q.3. A. What is outsourcing? Why a company outsourse some or all of its recevables. Marks-05

B. Discuss the three motives for holding cash? Marks-05