MMPF-001

Master of Business Administration (MBA)/ Master of Business Administration (Online) MBA(OL) / Master of Business Administration (Financial Management) (MBAFM)/ Post Graduate Diploma in Financial Management (PGDIFM)

ASSIGNMENT

For

July 2026 and January 2027 Semesters

MMPF-001:Working Capital Management

(Last date of submission for July 2026 Semester is 31st October 2026 and for January 2027 Semester is 30th April 2027)

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

ASSIGNMENT

Course Code	**:**	**MMPF-001**
Course Title	**:**	**Working Capital Management**
Assignment Code	**:**	**MMPF-001/TMA/JULY/2026**
Coverage	**:**	**All Blocks**

Note: Attempt all the questions and submit this assignment to the Coordinator of your study centre. Last date of submission for July 2026 Semester is 31st October 2026 and for January 2027 Semester is 30th April 2027.

Q1. Explain different approaches to the determination of working capital. As a new entrepreneur, which of the three broad approaches would you prefer and why?

Q2. Alpha Ltd. has a annual sales of Rs. 50 lakhs and is currently extending 30 days credit to the dealers. It is felt that sales can pick up if dealers are willing to carry increased stocks, but dealers have difficulty in financing their inventory. The company is therefore considering shifts in credit policy. You are required to determine which policy the company should adopt from the following information that is available:

Credit Policy	Average Collection Period	Annual Sales Rs. lakhs
P	45 days	56
Q	60 days	60
R	75 days	62
S	90 days	63

The average collection period now is 30 days.
Costs: Variable cost is 80 per cent on sales.
Fixed cost is Rs. 6 lakhs per annum.
Required (pre-tax) return on investment is 20 per cent.

Also mention the assumptions that you have made while approaching your decision.

Q3. Describe the salient features of the Guidelines issued by the Securities and Exchange Board of India (SEBI) for the conversion of Debentures into Equity.

Q4. Study the case of 'Inventory Management In Maruti Suzuki India Limited (MSIL)' given in **Unit 15** of this course and answer the questions given at the end of the case.