

2055

B. Voc. (Retail Management) Sixth Semester
RSC-603: Financial Management for Retail

Time allowed: 3 Hours

Max. Marks: 80

NOTE: Attempt five questions in all, including Question No. 1 which is compulsory and selecting one question from each Unit. All questions carry 16 marks.

x-x-x

I. Attempt any four of the following:-

- a) What are the three key decisions involved in financial management?
- b) What are the different types of financial risks faced by investors?
- c) Explain the profitability index (PI) method.
- d) What are the three types of leverage?
- e) What role does tax policy play in determining capital structure?
- f) List any three factors that affect the working capital requirements of a business.

UNIT - I

- II. What is compounding, and how does it help in wealth accumulation? Explain the concept of future value with an example of annual and semi-annual compounding.
- III. Explain the concept of expected return and standard deviation in portfolio management. How are these measures used to assess investment risk?

UNIT - II

- IV. Compare and contrast the different techniques used in capital budgeting. How do firms decide which method to use?
- V. Define Weighted Average Cost of Capital (WACC). How is it computed, and why is it important for financial decision-making?

UNIT - III

- VI. Explain the various sources of finance available to a business. How do these sources differ in terms of cost, risk, and accessibility?

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- VII. Explain the Net Income (NI) and Net Operating Income (NOI) approaches to capital structure. How do they differ?

UNIT - IV

- VIII. Define working capital and explain its significance in financial management. Discuss the different types of working capital and how they influence business operations.
- IX. Compare and contrast the dividend relevance and irrelevance theories.

x-x-x