Exam.Code:1306
Sub. Code: 46298

2056

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. I 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) Explain the concept of risk–return trade-off.

b) Explain the Payback Period Method and its limitations.

c) Define Marginal Cost of Capital and explain its significance.

d) Distinguish between operating leverage and financial leverage.

e) Distinguish between gross and net working capital.

f) What is meant by Dividend Policy?

UNIT - I

II. What is meant by the Time Value of Money? Explain the concept with suitable examples and discuss its importance in financial decision making.

III. Explain the role and functions of a financial manager in a modern organization. How does the financial manager make decisions regarding financing, investment and dividends?

UNIT - II

IV. What is Net Present Value (NPV)? Explain the method in detail and discuss why it is considered a superior technique of investment appraisal.

V. Explain the computation of cost of debt capital. Distinguish between before-tax cost and after-tax cost of debt.

UNIT - III

VI. Define capital structure. Explain the factors determining an optimum capital structure for a firm.

P.T.O.

VII. Explain the Net Income (NI) Approach to capital structure. Discuss its assumptions and implications.

UNIT - IV

VIII. Explain the factors affecting the working capital requirements of a firm.

IX. Explain the Relevance Theory of Dividend with reference to Walter's Model.

x-x-x