

**B.A. IN APPAREL DESIGN AND  
MERCHANDISING (BAADM)**

**Term-End Examination**

**December, 2012**

**BFM-048 : PRINCIPLES OF ACCOUNTING AND  
FINANCIAL MANAGEMENT**

*Time : 3 hours*

*Maximum Marks : 100*

*Note : Answer any five questions. All questions carry equal marks.*

1. What is the concept of cost of capital ? What is its importance and what are different types of cost of capital ? 20
2. What is working capital ? What are the advantages of Adequate working capital ? 20
3. What is your understanding of Marginal Analysis. What are the control variables for Marginal Analysis. 20
4. Define Ratio Analysis. What are different types of Ratios ? 20

5. Answer *any four* questions. All carry 5 marks each.
- (a) Why using debt as leverage is a successful tool during periods of Inflation. 5
  - (b) Define Business Risk. 5
  - (c) Define Financial Risk. 5
  - (d) Write 4 factors which determine financing for a firm. 5
  - (e) Define the 5 'C's of Credit. 5
6. Short Answer questions. Answer *any four* questions. All carry 5 marks each.
- (a) What are the financial information required for a Bank loan ? 5
  - (b) What are different sources of "Personal capital" for small firms ? 5
  - (c) What is "Equity Financing" and what is "Debt Financing" ? 5
  - (d) What are the results of High Equity and low Debt financing ? 5
  - (e) Who are Venture Capitalist and what is their role in business ? 5
  - (f) What are disadvantages of Excessive working capital ? 5

7. Answer *any four* questions. All questions *carry five* marks each.
- (a) Why Accounting is considered as the language of the Business ? 5
  - (b) What are disadvantages of inadequate working capital ? 5
  - (c) Give key procedure for using marginal analysis. 5
  - (d) Write the element of Balance Sheet. 5
  - (e) Write the Element of Income Statement. 5
  - (f) What are different concepts of Accounting. 5
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