

**B.A. IN FASHION MERCHANDISING AND
PRODUCTION (BAFMP)**

Term-End Examination

December, 2012

BFD-050 : PRODUCT PRICING AND SOURCING

Time : 3 hours

Maximum Marks : 100

Note : Attempt all questions.

1. What do you understand by term "Cost of Capital" ? 10
2. Define following : 4x10=40
 - (a) Risk and Return
 - (b) Time value of Money
 - (c) Sources of Capital
 - (d) Payback Period.
3. What are the net present - value and it's select and reject criterion ? 10
4. What do you understand by Break even analysis ? How and what do you set the target for a break even for a new business enterprise ? 15

5. Explain the following with examples :

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- (a) Internal rate of return method
 - (b) Method of project evaluation
 - (c) Capital management
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