

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

Term-End Examination

June, 2012

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

Time : 3 hours

Maximum Marks : 100

Note : Answer any five questions. All questions carry equal marks - 20 each.

1. What do you mean by Working Capital and what is the importance of 'Net Working Capital' for a firm ? 20
2. What is 'Marginal Analysis' ? What are the 'Control Variables' in marginal analysis ? 20
3. What is 'Leverage' ? What are different types of Leverage and explain them ? 20
4. What is "Cost of Capital" ? How it is used in "Capital budgeting Decision" and "Capital structure decision" ? 20

5. What is a Ratio ? What is 'Ratio Analysis' and what are different kinds of ratios ? 20
6. What are "Sources of Personal Capital for small firms" ? What are the Five C's of Credit ? 20
7. Answer *any two* questions (All questions carry 10 marks each) : **2x10=20**
- (a) What are the disadvantages of redundant or excessive working capital ?
 - (b) What are the control variables for Marginal Analysis ?
 - (c) What is Venture Capital and what is role of Venture Capitalist ?
 - (d) What are the results of high equity and low debt financing ?
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