

**M.A. IN FASHION RETAIL MANAGEMENT
(MAFRM)**

**Term-End Examination
December, 2011**

MFM-036 : FINANCIAL MANAGEMENT

Time : 3 hours

Maximum Marks : 100

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- Note :** (i) *Attempt any five question.*
(ii) *All questions carry equal marks.*
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1. "While performing financial planning, a firm tries to balance cash in flows and cash outflows". Explain. What type of decisions it takes to achieve this objective ? 20

2. Write notes on : 4x5=20
 - (a) Trade credits
 - (b) Public Deposits
 - (c) Preference shares
 - (d) Debentures

3. Define capital budgeting, its need and its importance. 20

4. What are financial risks ? Define "Trading on Equity". Does it come under financial risk ? 20
5. What is cost of capital and why it is important ? 20
6. What are various types of leverages ? How it affects the financial decision making ? 20
7. What is working capital Management ? What are its components ? Explain. 20
8. Write notes on : 4x5=20
- (a) Current Ratio
 - (b) Acid Test Ratio
 - (c) Assets Turnover Ratio
 - (d) EPS
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