

00661

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

**Term-End Examination
June, 2011**

MFM-036 : FINANCIAL MANAGEMENT

Time : 3 hours

Maximum Marks : 100

Note : 1. Attempt any five questions.

2. All questions carry equal marks.

1. Describe various finance functions in an organisation. **20**

2. Write short notes on : **4x5=20**
 - (a) Short term funds.
 - (b) Medium term funds.
 - (c) Long term funds.
 - (d) Core working capital.

3. Why do we need Capital Budgeting ? What type of decisions come under capital budgeting ? **20**

4. Define various types of risks in a business organisation. **20**

5. Define : 4x5=20
- (a) Cost of Debt
 - (b) Cost of Preference Share Capital
 - (c) Cost of Equity Capital
 - (d) Cost of Retained Earnings.
6. Differentiate between business risk and financial risk. 20
7. Define working capital cycle. How it affects the liquidity of a business organisation ? 20
8. "Ratios are used to determine the health of a business". Explain. Also how it is being done ? 20
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