

2054

B. Voc. (Retail Management) Sixth Semester  
RSC-603: Financial Management for Retail

Time allowed: 3 Hours

Max. Marks: 80

*NOTE: Attempt five questions in all, including Question No. 1 which is compulsory and selecting one question from each Unit.*

x-x-x

I. Write short notes on any four of the following:-

- a) Present Value of an Annuity
- b) Internal Rate of Return (IRR)
- c) Weighted Average Cost of Capital
- d) Financial Leverage
- e) Working Capital Cycle
- f) Dividend Payout Ratio

(4x5)

UNIT - I

II. Explain in detail the concept of financial management and its significance in the overall management of a retail business. (15)

III. Elaborate on the concept of discounting and its significance in evaluating future cash flows. Explore different discounting techniques. (15)

UNIT - II

IV. Explain the concept of Net Present Value (NPV) and its calculation. Discuss the rationale behind NPV as a superior method for evaluating investment projects. (15)

V. How is the cost of equity capital computed using the Dividend Discount Model (DDM) and the Capital Asset Pricing Model (CAPM)? Compare and contrast these approaches, highlighting their assumptions and limitations. (15)

UNIT - III

VI. Explore the various forms of debt financing available to businesses. Analyze the differences between short-term and long-term debt instruments and their respective impacts on financial stability and flexibility. (15)

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(2)

- VII. Discuss the determinants of a firm's capital structure, including business risk, profitability, growth opportunities, and asset structure. Analyze how each factor influences the decision between debt and equity financing. (15)

**UNIT - IV**

- VIII. Explain the concept of working capital management and its significance in the financial health of a retail sector organization. (15)
- IX. Discuss the relevance theory of dividend policy, emphasizing the factors that influence a firm's decision to pay dividends. (15)

x-x-x