



Name : .....

Roll No. : .....

Invigilator's Signature : .....

**CS / MMA / SEM-2 / MMA-203 / 2013**

**2013**

**BUSINESS PERSPECTIVES : RISK, RETURN AND  
ORGANIZATIONAL STRUCTURE**

Time Allotted : 3 Hours

Full Marks : 70

*The figures in the margin indicate full marks.*

*Candidates are required to give their answers in their own words  
as far as practicable.*

**GROUP – A**

**( Multiple Choice Type Questions )**

1. Choose the correct alternatives for the following :  $10 \times 1 = 10$ 
  - i) A specially designed self service fixture with multiple tiers of shelves, bins or pegs is called a
    - a) Rounder Rack
    - b) One way Rack
    - c) Gondola
    - d) Stock Basket.
  - ii) VLCC, which is India's leading chain of health, beauty and fitness, follows the ..... format of retailing.
    - a) Sole Proprietorship
    - b) Joint Venture
    - c) Co-operatives
    - d) Partnership.
  - iii) All the following are sources of information for a retailer, *except*
    - a) Shareholders
    - b) Competitors
    - c) Vendors
    - d) Customers.



- iv) A store having limited number of complementary product categories and high level of service to customers is called
- a) Hypermarket
  - b) Department Store
  - c) Super Market
  - d) Specialty Store.
- v) Free transferability, limited liability, centralization of management and continuity of life are all features of
- a) Joint venture
  - b) Sole proprietorship
  - c) Limited liability firm
  - d) Limited partnership firm
- vi) Equipment housing and lease line costs are parts of
- a) Recurrent cost
  - b) Capital cost
  - c) Marketing cost
  - d) Staff and administrative cost
- vii) Equipment requirements, distribution logistics, sources of supply and non managerial staffing are included in
- a) Scheduling
  - b) Strategic plan
  - c) Operating plan
  - d) Financial plan.
- viii) If the volatility of the interest rate decreases, the value of a callable convertible bond to an investor
- a) Decreases
  - b) Increases
  - c) Stays the same
  - d) Insufficient information to determine



- ix) A contingency plan is executed when
- a) A risk is identified
  - b) An identified risk occurs
  - c) When a workaround is needed
  - d) all of these
  - e) both (b) and (c).
- x) The normal risk of doing business that carries opportunities for both gain and loss is called
- a) favourable risk                      b) opportunity risk
  - c) pure risk                              d) business risk.

**GROUP – B**

**( Short Answer Type Questions )**

Answer any *three* of the following.                       $3 \times 5 = 15$

- 2. Distinguish between unique and market risk.
- 3. What are cooperative outlets ? How do they benefit customers ?
- 4. What are the common methods of direct selling ? Explain.
- 5. Why do retailers need to conduct a Situation Audit ? Discuss.
- 6. Discuss the major features of non store retailers.
- 7. What do you mean by the term risk premium in financial risk management ?



**GROUP – C**

**( Long Answer Type Questions )**

Answer any *three* of the following.  $3 \times 15 = 45$

8. How do you classify the financial risks in business ?
  9. As per the CAPM model how do you establish the relationship between risk and return ? Define with a simple example.
  10.
    - a) What are the elements of a successful business plan ?
    - b) Discuss briefly the decision making process of an investor willing to start up a business in retailing.
    - c) Discuss briefly the core areas of market research that a retailer undertakes before implementing his business plan.
    - d) What are the critical elements of a financial plan ? $3 + 5 + 4 + 3$
  11.
    - a) What are the bases for classification of retail units ? Explain with suitable examples.  $6$
    - b) Discuss the major competitive advantages and is advantages of a retail chain.  $5$
    - c) What are the key features of airport retailing ?  $4$
  12. Write short notes on any *three* of the following ;  $3 \times 5$ 
    - a) Catalogue and direct mail retailing
    - b) Direct selling
    - c) Service retailers
    - d) Free standing retailers
    - e) Theories of structural change in retailing.
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