

July 2013

Bachelor of Business Administration (BBA) Examination

VI Semester**Merchant Banking and Financial Services**

Time 3 Hours]

[Max. Marks 80

Note : Attempt any four questions (out of seven questions) from Section A. Each question of Section A carries 15 marks. Section B is compulsory and carries 20 marks.

Section A

- Discuss the role played by the Merchant Banker in an IPO.
Explain various fee based and fund based financial services.
How will you differ between factoring and forfeiting ?
Leasing is a long term source of finance. Comment with special reference to types of lease
5. Explain securitization as a funding mechanism.
6. What is Dematerialisation ? What are its benefits to the investors and the company ?
Write short notes on any two of the following :
(a) Types of Brokers.
(b) Merits of Hire Purchase.
(c) Primary Market.

Section B

A company ltd. is considering the acquisition of a large equipment to set a factory in a backward region for Rs. 10,00,000 The equipment's expected life is 9 years The equipment can be financed either with an 9 year term loan at 12% interest repayable in equal installment of Rs. 2,30,237 per year or by an equivalent amount of lease rent per year. In both cases, payments are due on the end of year. Depreciation method is SLM for tax purpose. Assuming no salvage value after 9 year and tax rate is 50%.

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