

**June 2016**

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**

1. Discuss in brief the SEBI guidelines for functioning of Merchant Bankers in India.
2. Discuss the concept of leasing. Also, discuss and differentiate between operating and financial leases citing suitable examples.
3. What do you mean by factoring ? Also discuss the various forms of factoring giving suitable examples.
4. Explain the concept of securitization using a suitable example. Further, discuss the benefit of securitization in existing Indian market scenario.
5. Discuss the concept and mechanism of depository system. Further, discuss in brief the role of major participants in depository system.
6. Differentiate : (any two)
  - (a) Factoring v/s Bill Discounting
  - (b) Broker and Jobber
  - (c) Leasing and Hire Purchase.
7. Write notes : (any two)
  - (a) SEBI regulations relating to Brokerage Business in India.
  - (b) Role of Financial Services in a Financial System.
  - (c) Causes for low growth of securitization in India.

**Section B**

8. A cement manufacturer is considering to lease a drying equipment costing Rs. 75 lacs. If leased, it will have to pay five annual year beginning lease rentals of Rs. 20 lacs. Tax rate is 30%. If bought, the equipment can be depreciated @ 25% p. a. on written-down value method. The manufacturers borrowing cost is 16% p.a. Assuming that equipment can be sold at book value at the end of useful life, should the system be leased or financed.

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