

5/H-65 (xv) (a) (Syllabus-2015)

2022

(November)

BUSINESS ADMINISTRATION

(Honours)

[BBAH-503 (FM)]

(**Financial Services and Derivatives**)

Marks : 75

Time : 3 hours

*The figures in the margin indicate full marks
for the questions*

1. (a) What is a financial service? What role do financial services play in the development of an economy? 2+6=8
- (b) What functions do Merchant Banks in India perform? Discuss those functions briefly. 7

Or

- (a) Describe the various mutual fund schemes available in India. 7
- (b) What is NAV? How is it calculated? 2+2=4
- (c) What do you mean by a new fund offer? 4

(2)

2. Describe the rating procedure of any of the credit rating agencies in India. 15

Or

- (a) What is Venture Capital? How does it support start-ups? 2+6=8
(b) Describe the steps involved in Venture Capital Financing. 7

3. Explain the motives and reasons for merger and acquisition decisions. Give appropriate examples. 15

Or

Discuss the strategies and tactics adopted by a target company to avoid a hostile takeover. Elaborate on them. 15

4. (a) Differentiate between operating and financial lease. 8
(b) How is leasing an advantage to the parties of a lease? 7

Or

What do you mean by 'Factoring'? Describe its mechanism. 5+10=15

5. (a) How does a forward contract differ from a futures contract? 8
(b) Briefly explain the mechanism of a futures contract. 7

(3)

Or

- (a) Write a note on the characteristics of derivatives. 6
(b) When is a 'Put' or a 'Call' said to be In-the-money, At-the-money and Out-of-money? Explain using a numerical example. 9
