

2019

(October)

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? How do financial services contribute to the growth of an economy? 2+6=8

- (b) State and discuss the functions of Merchant bankers in India. 7

Or

- (a) Trace the origin and growth of the mutual fund industry in India. 8

- (b) What are the advantages and disadvantages of investing in mutual funds? 7

2. Several factors are taken into account by credit rating agencies before rating any financial instrument. Elaborate them in detail. 15

Or

- (a) Discuss the role of venture capital financing in developing entrepreneurship in India. 8
- (b) Explain the steps involved in venture capital financing. 7
3. Elaborate the various motives behind mergers and acquisition decisions. Cite suitable examples. 15

Or

- What are the strategies adopted by a company to avoid hostile takeover? Elaborate on them. 15
4. (a) How is lease financing different from hire purchase? 6
- (b) Explain briefly the different types of leasing. 9

Or

- Discuss the concept of 'factoring'. Explain the types of factoring and their importances. 5+10=15
5. Show the holder's payoff and writer's payoff of call option and put option through a numerical example. 15

Or

- (a) Write on the characteristics of derivatives. 4
- (b) How is a forward contract different from a futures contract? 8
- (c) What is a 'Swap'? 3
