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(February)

BUSINESS ADMINISTRATION

(Honours)

(Financial Services and Derivatives)

[BBAH–503 (FM)]

Marks : 75

Time : 3 hours

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

UNIT—I

1. *(a)* "The financial service sector provides the intermediation between savers and investors and promotes faster economic development." Examine the statement and explain the functions and importance of the financial service sector. 8

   (b) Discuss the functions undertaken by merchant banks in India. 7

(**2**)

Or

Trace the origin and growth of mutual funds in India. Describe the latest mutual funds scheme commonly used in the current scenario. 7+8=15

UNIT—II

2. Discuss in detail the process and methodology of credit rating in India. What are the benefits and limitations of credit rating? 9+6=15

   Or

   (a) Examine the role of venture capital financing in the economic development of a country. 8

   (b) Enumerate on the various stages of venture capital financing in India. 7

UNIT—III

3. *(a)* Distinguish between a 'merger' and a 'takeover'. Explain the various steps involved in the process of a merger deal. 8

   (b) Discuss briefly the motives of a merger. 7

   Or

   Distinguish between 'friendly takeover' and 'hostile takeover'. What strategies are adopted by the acquiring firm in the case of a hostile takeover? 4+11=15

(3)

UNIT—IV

4. Define leasing. Explain the advantages and limitations of leasing. Discuss the status of leasing in India.   3+7+5=15

Or

(a) Discuss the need and importance of factoring with special reference to India.   7

(b) What are the different types of factoring?   4

(c) Distinguish between recourse factoring and non-recourse factoring.   4

UNIT—V

5. (a) What do you understand by financial derivatives?   5

(b) Discuss on the features and characteristics of financial derivatives.   7

(c) What is a forward contract?   3

Or

Show the holder's payoff and writer's payoff of call option and put option with the help of a numerical example.   15

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