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Your Roll No.

BFIA /IV Sem. – 2012

FINANCIAL AND INVESTMENT ANALYSIS

Paper 401

Financial Services

Time : 3 hours

Maximum Marks : 75

(Write your Roll No. on the top immediately
on receipt of this question paper.)

All Questions carry equal
Attempt all questions. Marks.

1. Explain the various types of leasing in India. Evaluate the legal and financial evaluation of lease vs hire purchase in India.
2. Explain the concept of bill discounting. Why is the bill discounting market in India not so popular and developed?
3. Evaluate the growth of housing finance in India. Critically examine the role of securitisation post-2008 financial crisis from a global perspective.

P.T.O.

4. Explain the role of credit rating agencies in the recent financial crisis which started in the US financial markets and spread to the world financial system. Does credit rating still hold its mettle today especially with respect to the Indian scenario ?

5. XYZ Ltd is considering a proposal to acquire a machine costing Rs. 10,00,000, involving a down payment of 20% and the balance payable in 10 annual equal instalments at the end of each year, which includes interest chargeable at 12 percent. Another option before it is to acquire the asset on a lease rental of Rs. 150,000 per annum payable at the end of each year for 10 years. The following information is also available :
 - (i) Terminal scrap value of Rs 200,000 is realisable if the asset is purchased.
 - (ii) The company provides 10 percent depreciation on straight-line method on the original cost.
 - (iii) The income-tax rate is 40 percent.

You are required to compute and analyze cash flows and advise whether the company should buy or lease the machine.