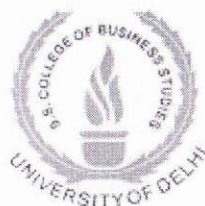


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Bachelor of Financial and Investment Analysis

Question Paper (NS)
(2011 onwards)

Semester - IV



[This question paper contains 2 printed pages.]

Sr. No. of Question Paper : 151

Roll No.....

Unique Paper Code : 101401

Name of the Course : BFIA

Name of the Paper : Financial Services

Semester : IV (2014)

Duration : 3 Hours

Maximum Marks : 75

Instructions for Candidates

1. Write your Roll No. on the top immediately on receipt of this question paper.
 2. Attempt **all** questions.
 3. **All** questions carry equal marks.
-
1. (a) XYZ builders Ltd. Need to acquire the use of a crane for their construction business and are considering buying or leasing a crane. The crane costs Rs. 10,00,000 and is subject to the straight line method of depreciation to a zero salvage value at the end of 5 years. In contrast, the lease rent is Rs. 2,20,000 per year to be paid in advance each year for 5 years. XYZ Builders ltd. can raise debt at 14% payable in equal annual instalments, each instalment due at the beginning of the year. The company is in the 50% tax bracket. Should it lease or buy the crane ? (10)
 - (b) Under a hire purchase deal structured by the Hypothetical Finance Ltd. (HFL) for the hypothetical industries Ltd (HIL), the flat rate of interest is 15%. The HIL is required to make a cash down payment of 25% and the repayment of the loan is to be made in 36 equated monthly instalments in (a) advance (b) arrear, compute the ERI/APR for the plan. (5)
-
2. (a) Explain the Process of Securitization along with various types of mortgages. (10)

P.T.O.

- (b) Write an explanatory note on the state of securitisation in India. (5)
3. Distinguish between conventional venture capital valuation method and first Chicago method by illustration with the help of hypothetical figures. (15)
4. (a) Explain the types of life insurance policies with special reference to term plans. (5)
- (b) Explain the different types of methodologies followed by credit rating agencies. (10)
5. Write short notes on : (2.5×6=15)
- (a) Wet Lease
- (b) Principle of Indemnity
- (c) Credit Ranking
- (d) PAM
- (e) Bill Discounting services
- (f) Fund Based Services