

March 2013

**Bachelor of Business Administration (BBA) Examination
V Semester**

Indian Financial System

Time 3 Hours]

[Max. Marks 80

Note : Answer any four questions from Section A. Each question in Section A carries 15 marks. Section B is compulsory and carries 20 marks.

Section A

- Q.1. What do you understand by financial systems ? What are its functions?
Q.2. Define money market, specify the instruments and main participants.
Q.3. What do you understand by primary market and what are its components?
Q.4. What are the objectives of mutual funds ? State the benefits of mutual funds.
Q.5. What are different types of factoring ? Discuss briefly.
Q.6. What do you mean by term derivatives ? Explain the some main features of derivative contract.
Q.7. Write short notes on any two of the following :
(a) Importance of Secondary Market
(b) Credit Rating
(c) Role of SEBI
(d) Hire Purchase.

Section B

- Q.8. From the information given below, you are required to advise about leasing out of the assets :

Cost of Equipment	Rs. 4,00,000
Average Cost of Capital to the lessor	12%
Depreciation (Allowable)	20% on original cost
Expected Life of Asset	5 years
Salvage Value	Nil
Lease rent payable at the end of each of 5 years	Rs. 1,50,000
Corporate Tax (applicable to lessor)	30%
P. V. of an annuity of Re. 1 for years at 12% is	Rs. 3.605.