A lease is an agreement whereby the lessor conveys to the lessee, in return for rent, the right to use an asset for an agreed period of time. A financing arrangement that provides a firm with an advantage of using an asset, without owning it, may be termed as ‘leasing’.

**1. (a) Department no. – 1 (Group Chief Financial Officer)**

The greatest concerns/objections of Group chief Financial Officer may have as:

* **Unhealthy Competition:** Bank subsidiaries and financial institution have the competitive edge over the private sector because of cheap source of finance.
* **Lack of qualified personnel:** Leasing requires qualified and experienced people. It is a specialized business and persons constitutes its top management should have expertise in accounting, finance, legal and decision areas.
* **Tax considerations:** Most people believe that lessees prefer leasing because of tax benefits it offers. In reality, it only transfers the benefit. The lease becomes economically viable only when the transfers effective rate is low. Cost of leasing=sales tax + wealth tax + additional tax + surcharge etc.., Thus leasing becomes more expensive form of financing than conventional mode of finance such as hire purchase.
* **Delayed payment and bad debts:** The problem of delayed payments of rents and bad debts add to the cost of lease. The lessor does not take into considerations this aspect while fixing rentals at the time of lease agreement. These problems would disturb the prospects of leasing business.

**(b) Department no. – 2 ( Group Chief Technology Officer)**

The greatest concerns/objections of Group Chief Technology Officer may have as:

Many modern companies suffer from fragmented systems, such as homegrown software applications created to solve narrowly defined problems. Microsoft Access databases created to track key lease terms, third party ERP systems, asset management software, and ad hoc spreadsheets are by far the most prevalent. The fragmentation may result in the following:

* Dependence on spreadsheets as the core analytical tool and data store
* Missing functionality necessary to close the gap between the functionality of the components and the automation requirements of the overarching process
* Lack of a centralized database for data & not working on latest technologies or system.
* Absence of integration of the components
* Lack of an overarching leasing strategy and process
* Multiple employees performing identical tasks and functions in different parts of the organization, resulting in duplication of work (like re-keying data) and costs
* No process for reconciling with key internal systems (like the GL) and external systems, like the lessors lease accounting systems.

**2. (a)**  The specific issues of **Group Chief Financial Officer** might be delayed payment and bad debts.

**(b)** The specific issues of **Group Chief Technology Officer** might be lack of a centralized database for data & not working on latest technologies or system.

**3. (a)** We can mitigate the issue of delayed payment and bad debts by following important points as:

* Create a well drafted business agreement with suppliers and clients
* Set credit limits for customers
* Implement an effective credit management system
* Late payment penalties
* Using debt collection agencies or small claims court to recover bad debts

**(b)** We can mitigate the issue of centralized database & latest technologies by using advance and latest technological system to organize the database and make it a centralized system .The centralized system can be made by connect all the departments and data at one place or one center to access. So that the transferring speed of data and sharing of data can be done for ease of work and also efficient for the company.