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Roll No

MAM-504**Master of Applied Management (Dual Degree),
V Semester**

Examination, June 2017

Financial Services**Time : Three Hours****Maximum Marks : 70**

Note: i) Answer any Five questions.
ii) All questions carry equal marks.

1. Define leasing and explain different types of leasing agreements with the help of examples.
2. Discuss various functions of RBI.
3. Differentiate between Leasing and Hire purchase on the grounds of accounting and tax treatment.
4. Discuss the role of banking sector in the development of our country.
5. "SEBI has failed to protect the interests of Investors" Comment.
6. An industrial unit desires to acquire a diesel generating set costing Rs.20 lakh which has an economic life of 10 years at the end of which the asset is not expected to have any residual value. The unit is considering the alternative choices of (a) taking the machinery on lease, or (b) purchasing the asset

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outright by raising a loan. Lease payments are to be made in advance and the lessor requires the asset to be completely amortized over its useful period and the asset will yield him a return of 10 percent. The cost of debt is worked out to be 16 percent per annum. The lender requires the loan to be repaid in 10 equal annual installment becoming due at the beginning of the first year. Average rate of income tax is 50 percent. It is expected that the operating costs would remain the same under either method. The firm follows straight line method of depreciation and the same is accepted for tax purposes. As a financial consultant, indicate what your advice will be.

7. Cash price of a machine is Rs. 37,400 on 1st Jan, 2013. Its hire-purchase price is Rs.50,000. This hire-purchase price is paid in five annual installments in the following manner:
Rs. 15,000 at the end of the first year
Rs. 12,000 at the end of second year;
Rs. 10,000 at the end of third year,
Rs. 8,000 at the end of fourth year,
Rs. 5,000 at the end of fifth year.
Calculate interest and cash price included in each installment.

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