



[Glossary]

Lease Financing

Subject:	Business Economics
Course:	B.A., 3rd Semester, Undergraduate
Paper No. & Title:	Paper – 303 Business Finance
Unit No. & Title:	Unit - 5 Lease Financing
Lecture No. & Title:	Lecture – 2 Lease Financing

Glossary

Ballon

Ballon have zero residual value

HP

Hire Purchase agreement

IRR

Internal Rate of Return method of lease evaluation

Lease

When User undertakes any assets on rent or lease arrangement it is called Lease.

Lease Back

When lessor sells the asset to another party and the same asset is taken on lease from that party.

Lessee

Lessee is the person who uses the assets of the Lessor on the bases of lease.

Lessor

Lessor is the person who is the owner of the assets given on the lease.

Leverage

Purchasing assets by mortgaging assets itself.

NPV

Net present Value Method of evaluation of Lease financing.

Tenant

Tenant is the person who had taken house on rent.

Wrap Lease

Involves third party to finance and lease.