

CBCS SCHEME

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16/17MBAFM302

Third Semester MBA Degree Examination, Dec.2019/Jan.2020 Investment Banking and Financial Services

Time: 3 hrs.

Max. Marks:80

Note: 1. Answer any FOUR full questions from Q.No.1 to Q.No.7.
2. Question No. 8 is compulsory.

- 1 a. What is Rights Issue? (02 Marks)
b. Explain the process of underwriting in fixed price offers and book built offers. (06 Marks)
c. Briefly explain the SEBI regulation for merchant bankers. (08 Marks)
- 2 a. Define Dematerialisation. (02 Marks)
b. Explain the process of clearing and settlement through depositories. (06 Marks)
c. Explain the role of National Housing Bank in house financing. Examine critically. (08 Marks)
- 3 a. What do you mean by Reverse Mortgage Loan? (02 Marks)
b. What are the RBI Guidelines to be considered for NBFC during registration? (06 Marks)
c. Briefly discuss the benefits as well as the issues related to unpopularity of securitization in India. (08 Marks)
- 4 a. Define special purpose vehicle. (02 Marks)
b. Define forfeiting and explain its benefits. (06 Marks)
c. Distinguish between factoring and discounting. (08 Marks)
- 5 a. Define private equity. (02 Marks)
b. What are the features of venture capital? (06 Marks)
c. Elaborate the current Scenario of micro finance in India. (08 Marks)
- 6 a. Who are self-help-groups? (02 Marks)
b. Discuss the rating methodology used for rating the companies by credit rating agencies. (06 Marks)
c. Discuss various types of lease. (08 Marks)
- 7 a. What is Hire Purchase? (02 Marks)
b. Distinguish between Hire Purchase and Leasing. (06 Marks)
c. Define Investment Banking and explain its functions. (08 Marks)

8 Case Study :

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 rate is Rs.2,20,000/years to be paid in advance each year for 5 years. XYZ builders can raise debt at 14% payable in equal annual installments, each installment due at the beginning of the year. The company is in 50 percent tax bracket. Should it lease or buy the crane? (16 Marks)

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Important Note : 1. On completing your answers, compulsorily draw diagonal cross lines on the remaining blank pages.
2. Any revealing of identification, appeal to evaluator and /or equations written eg. 42+8 = 50, will be treated as malpractice.