

# CBCS Scheme

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16MBAFM302

## Third Semester MBA Degree Examination, June/July 2018 Investment Banking and Financial Services

Time: 3 hrs.

Max. Marks: 80

**Note: 1. Answer any FOUR full questions from Q1 to Q7.  
2. Question No. 8 is compulsory.**

- 1 a. What is depository? (02 Marks)  
b. Compare and contrast Factoring and Forfeiting. (06 Marks)  
c. Explain various types of Underwriting. (08 Marks)
- 2 a. What is book building? (02 Marks)  
b. What are the objectives of venture capital? (06 Marks)  
c. Explain various services offered by depositories. (08 Marks)
- 3 a. What are self help groups? (02 Marks)  
b. Explain different types of leasing. (06 Marks)  
c. Explain various functions of NBFC's. (08 Marks)
- 4 a. Explain NSDL and CDSL. (02 Marks)  
b. Explain the main features of Securitization. (06 Marks)  
c. Discuss various steps followed by credit rating agencies in rating process. (08 Marks)
- 5 a. What is reverse mortgage? (02 Marks)  
b. What are advantages of depository system? (06 Marks)  
c. Evaluate leasing by highlighting its advantages. (08 Marks)
- 6 a. What is hire purchase agreement? (02 Marks)  
b. What are the tax implication on housing loan? (06 Marks)  
c. Explain Initial public offers and its procedure. (08 Marks)
- 7 a. What is credit syndications? (02 Marks)  
b. Distinguish between money market and capital market. (06 Marks)  
c. List out the structure of Indian financial system. (08 Marks)

### 8 CASE STUDY [Compulsory]

Skylab buildings Ltd. need to acquire the use of crane for their construction business and are considering buying or leasing a crane. The crane cost 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. Skylab 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% 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.