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14MBAFM302

**Third Semester MBA Degree Examination, Dec.2018/Jan.2019**  
**Investment Banking & Financial Services**

Time: 3 hrs.

Max. Marks:100

**SECTION - A**

*Note : Answer any FOUR questions from Q.No.1 to Q.No.7.*

- 1 What is Demat? (03 Marks)
- 2 What do you mean by Hire-purchase? (03 Marks)
- 3 What is Forfaiting? (03 Marks)
- 4 What is depository? (03 Marks)
- 5 What do you mean by securitization of Debt? (03 Marks)
- 6 What is venture capital? (03 Marks)
- 7 What is special purpose vehicle? (03 Marks)

**SECTION - B**

*Note : Answer any FOUR questions from Q.No.1 to Q.No.7.*

- 1 What are the advantages of depository system? (07 Marks)
- 2 What are the difference between factoring and forfeiting? (07 Marks)
- 3 Explain in brief the performance of NSDL. (07 Marks)
- 4 Explain in brief different types of Lease. (07 Marks)
- 5 Briefly explain the functions of NBFC. (07 Marks)
- 6 Briefly explain the functions of Investment Banks. (07 Marks)
- 7 Explain the difference between leasing and hire purchase. (07 Marks)

**SECTION - C**

*Note : Answer any FOUR questions from Q.No.1 to Q.No.7.*

- 1 Discuss the steps involved in credit rating process. (10 Marks)
- 2 Discuss in brief SEBI guidelines for merchant-bankers. (10 Marks)
- 3 Discuss in detail securitization process. (10 Marks)
- 4 Explain the types of housing finance. (10 Marks)
- 5 Explain in brief types of factoring. (10 Marks)
- 6 Explain various services offered by merchant banks. (10 Marks)
- 7 Explain in brief pre-issue obligations. (10 Marks)

**SECTION - D****CASE STUDY – [ Compulsory ]**

Spooriti and Spandana Pvt. Ltd. has been analyzing the firm's policy regarding computers, which are now being leased on a yearly basis on rental amounting to Rs. 1,00,000 per year.

The computers can be bought for Rs. 5,00,000. The purchase would be financed by 16 percent Loan repayable in 4 equal annual installments. On account of rapid technological progress in the computer industry, it is suggested that a 4 years economic life should be used, instead of the 10 years physical life.

It is estimated that the computers would be sold for Rs. 2,00,000 at the end of the 4 years.

The company uses the straight line method of depreciation.

Corporate tax rate is 50 percent.

Comment on whether the equipment should be bought or leased.

(20 Marks)

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