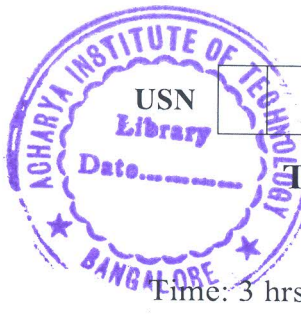


CBBCS SCHEME



16/17MBAFM302

Third Semester MBA Degree Examination, June/July 2019 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. List out the objectives of Investment Banking. (02 Marks)
b. Write a note on NSDL. (06 Marks)
c. Discuss SEBI Guidelines for pre-issue management. (08 Marks)
- 2 a. What is Forfeiting? (02 Marks)
b. Differentiate between leasing and hire purchase. (06 Marks)
c. Elaborate the process of Credit Rating of Financial Instruments. (08 Marks)
- 3 a. What is due diligence? (02 Marks)
b. Briefly explain types of lease. (06 Marks)
c. Explain objectives of depository. (08 Marks)
- 4 a. Write a note on benefits of credit rating. (02 Marks)
b. Discuss the range of services rendered by Investment Banks. (06 Marks)
c. Describe the code of conduct for Merchant Banker. (08 Marks)
- 5 a. What is Securitization of debt? (02 Marks)
b. Differentiate between private equity and venture capital finance. (06 Marks)
c. Explain factors influencing Buy or Borrow or Lease decision. (08 Marks)
- 6 a. What is Reverse Mortgage Loan? (02 Marks)
b. Explain the role of NBFC's in Indian Financial Markets. (06 Marks)
c. List out the various categories of Merchant Banker's and requirements for Granting Registration Certificate to Merchant Banker. (08 Marks)
- 7 a. What is CRISIL? (02 Marks)
b. Write a note on forms of venture capital. (06 Marks)
c. Elaborate forfeiting mechanism with a neat diagram. (08 Marks)

8 Compulsory:

Sky Plastics is planning to acquire an equipment which costs Rs.10 million for expansion programme. It approached Modern Finance Company, for financing. Modern offered two proposals (i) HP; (ii) Lease.

i) HP – offer details are : 15% flat interest rate; HP installment amount Rs.35,00,000 and HP period of 5 years.

ii) Leasing – Offer details are: Modern decided to charge lease rent under two lease options.

- Primary lease period (first 3 years) in which Rs.33 lakhs.

- Secondary lease period (3 yrs) in which Rs.1,70,000.

Scarp value of equipment would be Rs.10,00,000, tax rate for sky is 50%, depreciation rate @ 35% and cost of debt is 9%.

Determine which option is beneficial for sky plastics.

(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.