



CBCS SCHEME

16/17MBAFM302

Third Semester MBA Degree Examination, Aug./Sept.2020 Investment Banking and Financial Services

Time: 3 hrs.

Max. Marks:80

- Note:** 1. Answer any **FOUR** full questions from **Q.No.1 to 7.**
2. **Q.No. 8 is compulsory.**
3. **Use of present value table is permitted.**

- 1 a. Who is Portfolio Manager? (02 Marks)
b. Explain the different Investment Banking Services. (06 Marks)
c. What is Issue Management? Explain the Pre-Issue and Post Issue obligations. (08 Marks)
- 2 a. What is the role of an underwriter? (02 Marks)
b. What are the benefits of Depository System? (06 Marks)
c. What is Depository System? Explain the process in detail. (08 Marks)
- 3 a. Who are Depository Participants? (02 Marks)
b. What are the functions of N.B.F.Cs? (06 Marks)
c. Explain the procedure for Sanctioning the Housing Loan. (08 Marks)
- 4 a. What is Reverse Mortgage Loan? (02 Marks)
b. Differentiate between Financial lease and Operating lease. (06 Marks)
c. Explain the framework of financial evaluation of a Hire purchase transaction from the view point of (i) Hirer and (ii) Financing company. (08 Marks)
- 5 a. What is Forfeiting? (02 Marks)
b. List out and explain the features of Venture Capital. (06 Marks)
c. What is Credit Rating? Explain the methodology followed by CRISIL in Rating Credit Instruments. (08 Marks)
- 6 a. What is Private Equity? (02 Marks)
b. What is factoring? Explain the various functions of factoring. (06 Marks)
c. What is securitization of Debt? Discuss the operational mechanism of securitization of Debt. (08 Marks)
- 7 a. Explain the three Risk in leasing. (02 Marks)
b. What are the SEBI guidelines for Merchant Bankers. (06 Marks)
c. Write short note on the following :
(i) Registrar to the issue (ii) Book-Building (iii) Self Help Groups (iv) CDSL (08 Marks)
- 8 Case study (Compulsory) :
Ram Mohan Ltd., is considering the possibility of purchasing a machine which costs Rs. 10,00,000 with expected life of 5 years. If generates Rs. 6,00,000 per Annum before Depreciation and Tax and the management wishes to dispose the machine at the end of fifth year which will fetch Rs.1,00,000.

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.

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The Depreciation is provided at 25% per Annum under written Down value method and Tax Rate being 50%.

The company approached NBFC for financing the asset for 5 years which quoted Rs.3,36,000 per Annum. The company wants to evaluate the proposal with purchase option where the cost of capital being 12% and for leasing option it wants to consider discount rate of 16%. (Ignore the capital loss of Depreciated Asset). Advice the company in choosing the proposal. (16 Marks)

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