



Enrollment No.....

Faculty of Management Studies
End Sem (Even) Examination May-2019
MS5EF10 Merchant Banking
 Programme: MBA Branch/Specialisation: Management / Finance

Duration: 3 Hrs.**Maximum Marks: 60**

Note: All questions are compulsory. Internal choices, if any, are indicated. Answers of Q.1 (MCQs) should be written in full instead of only a, b, c or d.

- Q.1 i. A merchant bank is a financial institution conducting money market activities and: **1**
 (a) Lending (b) Underwriting and financial advice
 (c) Investment service (d) All of these
- ii. In India, merchant-banking activity was originated with the merchant banking division set up by the _____. **1**
 (a) Barclays bank (b) Grind lays bank
 (c) Yes bank (d) None of these
- iii. Every merchant banker shall submit to SEBI complete particulars of any transaction for acquisition of securities of any Body Corporate whose issue is being managed by that merchant banker within _____ from the date of entering into such transaction. **1**
 (a) 30 days (b) 15 days (c) 21 days (d) 45 days
- iv. As per the listing agreement of BSE and NSE, the minimum paid-up capital and the minimum market capitalisation of the issuer should be ____ and _____. **1**
 (a) Rs 5 Cr and Rs 25 Cr (b) Rs 10 Cr to 25 Cr
 (c) Rs 10 Cr to 50 Cr (d) Rs 50 Cr and Rs 50 Cr
- v. It is a process by which a demand for the securities proposed to be issued by a body corporate is elicited. **1**
 (a) Book building (b) Share certificate
 (c) Promoter issue (d) Circular
- vi. Categories of securities issue: **1**
 (a) Public issue (b) Rights issue
 (c) Private placement (d) All of these

- vii. Project team becomes aware of a recent innovation that allows a **1**
 (a) Faster solution (b) Cheaper solution
 (c) Both (a) and (b) (d) Expensive Solution
- viii. Which of these is not one of the constraints of a project? **1**
 (a) Scope (b) Resources (c) Team (d) Budget
- ix. For Managing receivables of Rs 20 Lakhs and converting them in to cash, which option should you adopt. **1**
 (a) Forfeiting (b) Factoring
 (c) Securitisation (d) None of these
- x. Which of the following is not a fee-based financial service? **1**
 (a) Corporate counselling (b) Lease financing
 (c) Profit management (d) Issue management
- Q.2 i. Define Merchant Banker. Explain the importance. **2**
 ii. Explain the various categories of Merchant Bankers. **3**
 iii. Explain all the functions performed by Merchant Banker. **5**
 OR iv. Explain difference in Commercial Banks and Merchant banks. **5**
- Q.3 i. What is listing? **2**
 ii. Explain the SEBI guidelines for Issue Management. **8**
 OR iii. Explain the SCRA with respect to stock exchange. **8**
- Q.4 i. Explain process of book building? **3**
 ii. What is prospectus and Explain various types of prospectus. **7**
 OR iii. Discuss in detail the role of merchant banker in issue management. **7**
- Q.5 i. What is Project Identification? Explain the role of Merchant Banker. **4**
 ii. What is Feasibility Study of the organisation, on which points feasibility of a project can be checked. **6**
 OR iii. What are Technical and Financial Appraisal for a project. **6**
- Q.6 Attempt any two:
 i. Discuss factoring and forfeiting in detail. **5**
 ii. Write a short note on role of merchant banker in merger and acquisition. **5**
 iii. Discuss in brief the Investment advisory service of merchant banker. **5**

Marking Scheme
MS5EF10 Merchant Banking

Q.1	i.	A merchant bank is a financial institution conducting money market activities and: (d) All of these	1
	ii.	In India, merchant-banking activity was originated with the merchant banking division set up by the _____. (b) Grind lays bank	1
	iii.	Every merchant banker shall submit to SEBI complete particulars of any transaction for acquisition of securities of any Body Corporate whose issue is being managed by that merchant banker within _____ from the date of entering into such transaction. (b) 15 days	1
	iv.	As per the listing agreement of BSE and NSE, the minimum paid-up capital and the minimum market capitalisation of the issuer should be _____ and _____. (b) Rs 10 Cr to 25 Cr	1
	v.	It is a process by which a demand for the securities proposed to be issued by a body corporate is elicited. (a) Book building	1
	vi.	Categories of securities issue: (d) All of these	1
	vii.	Project team becomes aware of a recent innovation that allows a (c) Both (a) and (b)	1
	viii.	Which of these is not one of the constraints of a project? (c) Team	1
	ix.	For Managing receivables of Rs 20 Lakhs and converting them in to cash, which option should you adopt. (b) Factoring	1
	x.	Which of the following is not a fee-based financial service? (b) Lease financing	1

Q.2	i.	Define Merchant Banker Importance.	1 mark 1 mark	2
	ii.	Various categories of Merchant Bankers. Three points 1 mark for each	(1 mark * 3)	3
	iii.	Functions performed by Merchant Banker 1 mark for each	(1 mark * 5)	5

OR	iv.	Difference in Commercial Banks and Merchant banks. Five difference 1 mark for each	(1 mark * 3)	5
Q.3	i.	Definition listing		2
	ii.	SEBI guidelines for Issue Management. 1 mark for each point	(1 mark * 8)	8
OR	iii.	SCRA with respect to stock exchange. 1 mark for each point	(1 mark * 8)	8
Q.4	i.	Process of book building Meaning	1 mark	3
		Process	2 marks	
	ii.	Prospectus Types of prospectus	2 marks 5 marks	7
OR	iii.	Role of merchant banker in issue management. 1 mark for each role	(1 mark * 7)	7
Q.5	i.	Project Identification Role of Merchant Banker	2 marks 2 marks	4
	ii.	Feasibility Study of the organisation On points feasibility of a project can be checked.	2 marks 4 marks	6
OR	iii.	Technical Appraisal for a project Financial Appraisal for a project.	3 marks 3 marks	6
Q.6		Attempt any two:		
	i.	Factoring Forfeiting	2.5 marks 2.5 marks	5
	ii.	Role of merchant banker in merger and acquisition Any five points 1 mark for each	(1 mark * 5)	5
	iii.	Investment advisory service of merchant banker 1 mark for each point	(1 mark * 5)	5
