

Total No. of Questions: 6

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Enrollment No.....



Faculty of Management Studies

End Sem (Even) Examination May-2022

MS5EF10 Merchant Banking

Programme: MBA

Branch/Specialisation: Management

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. SEBI is- 1
- (a) Security Exchange Bank of India
 - (b) Security Exchange Board of India
 - (c) Security and Exchange Benefit for India
 - (d) Systematic Export Bank in India
- ii. Function of Merchant banker is- 1
- (a) Advice on modernization and expansion
 - (b) Managing public issue
 - (c) Corporate restructuring
 - (d) All of these
- iii. Right shares are issued to- 1
- (a) Existing equity shareholders
 - (b) Existing preference share holders
 - (c) Existing debenture shareholders
 - (d) None of these
- iv. Marketing of Issue activity is- 1
- (a) Post-issue activity
 - (b) Pre-issue activity
 - (c) Both (a) and (b)
 - (d) None of these
- v. The first nationalized bank in India to start a VCF _____. 1
- (a) Canara bank
 - (b) SBI
 - (c) Bank of India
 - (d) ICICI

P.T.O.

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- vi. Which of the following is India's first credit information company? **1**
 (a) CRISIL (b) CIBIL
 (c) SMERA (d) CERSAI
- vii. Motives of merger is- **1**
 (a) Diversification (b) Taxation benefits
 (c) Growth advantages (d) All of these
- viii. Which one is not correct statement? **1**
 (a) The acquisition is takeover
 (b) Mutually agreed is the condition in merger
 (c) Buy back of shares
 (d) None of these
- ix. Which one is not a type of takeover? **1**
 (a) Friendly takeover (b) Hostile takeover
 (c) Reverse takeover bid (d) Merger
- x. Bear bug and green mail are the techniques of- **1**
 (a) Horizontal acquisition
 (b) Defense against merger
 (c) Defense against hostile takeover
 (d) None of these
- Q.2 i. What do you understand by merchant banking? Mention any two **4**
 merchant banks in India.
 ii. Discuss any six functions of merchant bankers. **6**
- OR iii. "Securities exchange board of India has different regulations for **6**
 merchant banking system" discuss with the regulations of brokers and
 sub-brokers.
- Q.3 i. Discuss types of issue in financial markets. **3**
 ii. Explain pre-issue and post-issue management activities in detail. **7**
- OR iii. Explain the following: **7**
 (a) Book building (b) Preparation of prospectus
 (c) SEBI
- Q.4 i. What do you understand by credit rating agency? Name any two. **3**

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- ii. Discuss factoring with their advantages and disadvantages. **7**
- OR iii. Write an essay on venture capital with their steps in detail. **7**
- Q.5 i. What do you mean by merger and acquisition? **3**
 ii. Discuss objectives of merger with their different types. **7**
- OR iii. Elaborate organisational and human aspects of merger. **7**
- Q.6 i. Explain takeover with suitable example. **3**
 ii. Write short note on- **7**
 (a) Poisson pill (b) Friendly takeover
 (c) Hostile takeover
- OR iii. Explain the process of merger and acquisition in three stages only. **7**

Marking Scheme
MS5EF10 Merchant Banking

Q.1	i.	SEBI is-		1			
		(b) Security Exchange Board of India					
	ii.	Function of Merchant banker is-		1			
		(d) All of these					
	iii.	Right shares are issued to-		1			
		(a) Existing equity shareholders					
	iv.	Marketing of Issue activity is-		1			
		(a) Pre-issue activity					
	v.	The first nationalized bank in India to start a VCF ____.		1			
		(a) Canara bank					
Q.2	ii.	Which of the following is India's first credit information company?		1			
		(a) CRISIL					
	vii.	Motives of merger is-		1			
		(d) All of these					
	viii.	Which one is not correct statement?		1			
		(a) The acquisition is takeover					
	ix.	Which one is not a type of takeover?		1			
		(d) Merger					
	x.	Bear bug and green mail are the techniques of-		1			
		(a) Defense against merger					
Q.3	i.	Merchant banking	2 marks	4			
		Any two merchant banks in India	2 marks				
	ii.	Any six functions of merchant bankers		6			
		1 mark for each	(1 mark * 6)				
OR	iii.	Regulations of brokers and sub-brokers		6			
		As per the explanation					
Q.4	i.	Credit rating agency	2 marks				3
		Any two 0.5 mark for each (0.5 mark * 2)	1 mark				
	ii.	Factoring	3 marks				7
		Advantages	2 marks				
OR		Disadvantages	2 marks				
	iii.	Venture capital	2 marks				7
		Five steps in detail	5 marks				
Q.5	i.	Merger and acquisition					3
		Introduction with example					
	ii.	Objectives of merger	3 marks				7
		Different types	4 marks				
OR	iii.	Organisational aspects of merger	3.5 marks				7
		Human aspects of merger	3.5 marks				
Q.6	i.	Takeover	2 marks				3
		Example	1 mark				
	ii.	Write short note on-					7
		(a) Poisson pill	3 marks				
OR		(b) Friendly takeover	2 marks				
		(c) Hostile takeover	2 marks				
	iii.	Process of merger and acquisition in three stages only.					7
		Stage I	3 marks				
		Stage II	2 marks				
		Stage III	2 marks				
