

Enrollment No.....



Faculty of Management Studies  
End Sem Examination Dec-2023

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. Assume suitable data if necessary. Notations and symbols have their usual meaning.

- Q.1 i. In India, merchant-banking activity was originated with the merchant banking division set up by the \_\_\_\_\_. **1**  
 (a) Barclays bank (b) Yes bank  
 (c) Grind lays bank (d) None of these
- ii. Secondary Markets in treasury bills require involvement of \_\_\_\_\_ and \_\_\_\_\_. **1**  
 (a) Brokers, dealers (b) Buyers, sellers  
 (c) Consumer, produce (d) All of these
- iii. Issue management is an important function of \_\_\_\_\_ and \_\_\_\_\_. **1**  
 (a) Merchant banker, lead manager  
 (b) Public banker, merchant banker  
 (c) Lead banker, private banking  
 (d) None of these
- iv. Underwriting is a guarantee for marketability of \_\_\_\_\_. **1**  
 (a) Bonds (b) Debentures  
 (c) Shares (d) None of these
- v. \_\_\_\_\_ act as an intermediary to link up the sources of ideas and the sources of fund. **1**  
 (a) Venture capital (b) Merchant banking  
 (c) Leasing (d) None of these
- vi. Which of the following is not a usual type of lease arrangement? **1**  
 (a) Sale & lease back (b) Goods on approval  
 (c) Leverage lease (d) Direct lease

[2]

- vii. A merger occurring between companies in the same industry is called? **1**  
 (a) Conglomerate (b) Horizontal merger  
 (c) Vertical merger (d) Centric merger
- viii. Preference share in India is issued by a company for a maximum period of? **1**  
 (a) 10 years (b) 15 years (c) 20 years (d) Unlimited period
- ix. When the management and board of directors of the targeted company oppose the intended take over it is called \_\_\_\_\_. **1**  
 (a) Merger (b) Friendly takeover  
 (c) Hostile takeover (d) Partnership
- x. Which of the following is not an objective of the Securities and Exchange Board of India? **1**  
 (a) To become a platform that promotes businesses  
 (b) To regulate the securities market in India  
 (c) To encourage the development of the securities market in India  
 (d) To protect investors from fraudulent activities
- Q.2 i. Define the concept of merchant banking. **2**  
 ii. Discuss any three differences between commercial banks & industrial banks. **3**  
 iii. Describe the various functions of merchant banking. **5**
- OR iv. What are the main roles & responsibilities of a portfolio manager? **5**
- Q.3 i. What do you mean by issue pricing & book building? **2**  
 ii. Explain the pre-issue and post-issue management activities performed by merchant banks. **8**
- OR iii. Write short notes on: **8**  
 (a) Selection of bankers  
 (b) Role of registrars  
 (c) Underwriters  
 (d) NRI marketing
- Q.4 i. What do you mean by factoring & forfeiting? **3**  
 ii. What is lease financing? State various advantages of lease financing in detail. **7**
- OR iii. Discuss financial appraisal and its techniques in project management with detailed description. **7**

[3]

- Q.5 i. Describe the various types of mergers. **4**  
 ii. Explain internal and external changes forces contributing to merger and acquisition activities. **6**
- OR iii. What are the main regulations of SEBI that company must comply with? **6**
- Q.6 Attempt any two:  
 i. Define due diligence? How do you assess and mitigate the risks and challenges of due diligence? **5**  
 ii. Elaborate five stages model of merger and acquisition. **5**  
 iii. Define the following terms: **5**  
 (a) Poisson pill (b) Greenmail

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**Marking Scheme**  
**MS5EF10 (T)-Merchant Banking (T)**

- Q.1 i) In India, merchant-banking activity was originated with the merchant banking division set up by the -----.  
(c) Grind lays bank **1**
- ii) Secondary Markets in treasury bills require involvement of ---- and -----.  
(a) Brokers, Dealers **1**
- iii) Issue management is an important function of ----- and -----.  
(a) Merchant banker, lead manager **1**
- iv) Underwriting is a guarantee for marketability of -----.  
(c) Shares **1**
- v) ----- act as an intermediary to link up the sources of ideas and the sources of fund.  
(a) Venture capital **1**
- vi) Which of the following is not a usual type of lease arrangement?  
(b) Goods on approval **1**
- vii) A merger occurring between companies in the same industry is called?  
(b) Horizontal Merger **1**
- viii) Preference share in India is issued by a company for a maximum period of?  
(c) 20 years **1**
- ix) When the management and board of directors of the targeted company oppose the intended take over it is called -----.  
(c) Hostile Takeover **1**
- x) Which of the following is not an objective of the Securities and Exchange Board of India?  
(a) To become a platform that promotes businesses **1**
- Q.2 i. Define the concept of Merchant Banking? **2**
- ii. Discuss any three differences between Commercial banks & Industrial banks? **3**
- 1) Point 1 marks  
2) Point 1 marks  
3) Point 1 marks
- iii. Describe the various functions of Merchant Banking? **5**

- 1) Point 1 marks  
2) Point 1 marks  
3) Point 1 marks  
4) Point 1 marks  
5) Point 1 marks
- OR iv. What are the main Roles & Responsibilities of a Portfolio manager? **5**
- Role of a Portfolio Manager 2.5 marks  
Responsibilities of a Portfolio Manager 2.5 marks
- Q.3 i. What do you mean by Issue Pricing & book building? **2**
- Meaning of Issue Pricing 1 marks  
Meaning of Book Building 1 marks
- ii. Explain the Pre-issue and Post-issue management activities performed by Merchant banks? **8**
- Pre-issue management activities  
1) Point 1 marks  
2) Point 1 marks  
3) Point 1 marks  
4) point 1 marks  
5) Point 1 marks
- Post-issue management activities  
1) Point 1 marks  
2) Point 1 marks  
3) Point 1 marks  
4) point 1 marks  
5) Point 1 marks
- OR iii. Write Short Notes on: **8**
- (a) Selection of Bankers 2 marks  
(b) Role of Registrars 2 marks  
(c) Underwriters 2 marks  
(d) NRI marketing 2 marks
- Q.4 i. What do you Mean by Factoring & Forfeiting? **3**
- Meaning of Factoring 1.5 marks  
Meaning of Forfeiting 1.5 marks
- ii. What is Lease Financing? & State about the various advantages of Lease Financing? **7**
- Meaning of lease financing 2 marks  
Advantages of lease financing 5 marks
- OR iii. Discuss about the Financial Appraisal and its techniques in Project management? **7**
- Concept of Financial appraisal 2 marks

[2]

[3]

Techniques in project management

5 marks

- Q.5 i. Describe the various types of Mergers? **4**
- 1) Type 1 marks
- 2) Type 1 marks
- 3) Type 1 marks
- 4) Type 1 marks
- ii. Explain Internal and External changes forces contributing to merger and acquisition activities? **6**
- 1) Point 1 marks
- 2) Point 1 marks
- 3) Point 1 marks
- 4) point 1 marks
- 5) Point 1 marks
- 6) Point 1 marks
- OR iii. What are the main regulations of SEBI that company must comply with? **6**
- 1) Point 1 marks
- 2) Point 1 marks
- 3) Point 1 marks
- 4) point 1 marks
- 5) Point 1 marks
- 6) Point 1 marks
- Q.6 Attempt any two:
- i. Define Due diligence? How do you assess and mitigate the risks and challenges of Due diligence? **5**
- Meaning of Due diligence 2 marks
- Challenges of due diligence 3 marks
- ii. Elaborate five stages model of merger and acquisition? **5**
- 1) Point 1 marks
- 2) Point 1 marks
- 3) Point 1 marks
- 4) point 1 marks
- 5) Point 1 marks
- iii. Define the following terms: **5**
- (a) Poisson pill 2.5 marks
- (b) Greenmail 2.5 marks

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