

Enrollment No.....



Faculty of Management Studies  
End Sem Examination May-2024

MS3EF10 Investment Banking

Programme: BBA

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

- Q.1 i. Which of the following is not typically service provided by investment banks: **1**
- (a) Mergers and acquisition advisory
  - (b) Underwriting security offerings
  - (c) Issuing credit cards
  - (d) Asset management
- ii. Which regulatory body oversees the operations of merchant banks in many countries? **1**
- (a) Federal reserve system
  - (b) Securities and exchange commission
  - (c) Financial conduct authority
  - (d) International monetary fund
- iii. Which among the following is not an objective of SEBI? **1**
- (a) To regulate securities market
  - (b) To protect interests of inventors
  - (c) To promote the development of the market
  - (d) None of these
- iv. Portfolio approach to investing is primarily focused on which of the following: **1**
- (a) Diversification
  - (b) Value protection
  - (c) Return appreciation
  - (d) Risk optimisation
- v. The number of lead merchant bankers may not exceed in case any issue of, issue size 200 crore to 400 crore: **1**
- (a) 4
  - (b) 3
  - (c) 6
  - (d) 5

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- vi. Post issue management activities include: **1**  
 (a) Analysis of collection (b) Processing of data  
 (c) Issue of refund orders (d) All of these
- vii. Factoring agency is a service provider to a firm that extends the services of: **1**  
 (a) Fixation of economic ordering quantity  
 (b) Fixation of minimum cash requirement level  
 (c) Sales ledger administration and credit management  
 (d) Managing client's logistic and sales management
- viii. If a company sale its receivables to another party to raise funds it is known as: **1**  
 (a) Factoring (b) Securitization  
 (c) Pledging (d) All of these
- ix. A short-term lease which is often cancellable is known as: **1**  
 (a) Finance lease (b) Operating lease  
 (c) Net lease (d) Leverage lease
- x. The difference between the net hire purchase price and net cash price of the goods is termed as: **1**  
 (a) Hire purchase charges (b) Instalment  
 (c) Down payment (d) None of these
- Q.2 i. Define the concept of Investment banking. **2**  
 ii. Explain the three types of Investment banks. **3**  
 iii. Describe any five functions of merchant banking. **5**
- OR iv. What is the key difference between commercial banking and investment banking? **5**
- Q.3 i. What do you mean by regulation of the capital market? **2**  
 ii. Explain any eight SEBI guidelines in respect of merchant banking. **8**
- OR iii. Write short notes on: **8**  
 (a) Brokers and Sub brokers  
 (b) Intermediaries and Portfolio managers
- Q.4 i. What is the meaning of public issue management? Explain any two types of public issue management. **3**  
 ii. Describe the role of merchant banker and its activities of merchant bankers. **7**

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- OR iii. Write differences between underwriting in fixed price offers and book built offers. **7**
- Q.5 i. Explain any four types of factoring. **4**  
 ii. Describe the various steps of forfeiting process in India. **6**
- OR iii. What are the main benefits of securitization? (Any six) **6**
- Q.6 Attempt any two:  
 i. Write differences between leasing and hire purchase. **5**  
 ii. Explain the legal framework of leasing. **5**  
 iii. Describe the various disadvantages of hire purchase. **5**

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**Marking Scheme**  
**Investment Banking (T) - MS3EF10 (T)**

Q.1	i)	(c) Issuing credit cards	<b>1</b>
	ii)	(b) Securities and exchange commission	<b>1</b>
	iii)	(c) To protect interests of inventors	<b>1</b>
	iv)	(a) Diversification	<b>1</b>
	v)	(d) 5	<b>1</b>
	vi)	(d) All of these	<b>1</b>
	vii)	(c) Sales ledger administration and credit management	<b>1</b>
	viii)	(a) Factoring	<b>1</b>
	ix)	(b) Operating lease	<b>1</b>
	x)	(a) Hire purchase charges	<b>1</b>

Q.2	i.	Concept of Investment banking	2 Marks	<b>2</b>
	ii.	1Type -	1 Mark	<b>3</b>
		2 Type –	1 Mark	
		3 Type -	1 Mark	
	iii.	1 Point –	1 Mark	<b>5</b>
		2 Point –	1 Mark	
		3 Point –	1 Mark	
		4 Point –	1 Mark	
		5 Point –	1 Mark	
OR	iv.	1 Point –	1 Mark	<b>5</b>
		2 Point –	1 Mark	
		3 Point –	1 Mark	
		4 Point –	1 Mark	
		5 Point –	1 Mark	

Q.3	i.	Meaning –	2 Marks	<b>2</b>
	ii.	1 Point –	1 Mark	<b>8</b>
		2 Point –	1 Mark	
		3 Point –	1 Mark	
		4 Point –	1 Mark	
		5 Point –	1 Mark	
		6 Point -	1 Mark	
		7 Point –	1 Mark	
		8 Point -	1 Mark	
OR	iii.	(a) Brokers and Sub brokers –	4 Marks	<b>8</b>
		(b) Intermediaries and Portfolio managers –	4 Marks	
Q.4	i.	Meaning of public ..... management	(As per explanation)	<b>3</b>
	ii.	Role of merchant banker –	3 Marks	<b>7</b>
		Activities of merchant banker –	4 Marks	
	iii.	1 Point –	1 Mark	<b>7</b>
		2 Point –	1 Mark	
		3 Point –	1 Mark	
		4 Point –	1 Mark	
		5 Point –	1 Mark	
		6 Point -	1 Mark	
		7 Point –	1 Mark	
Q.5	i.	1 Point –	1 Mark	<b>4</b>
		2 Point –	1 Mark	
		3 Point –	1 Mark	
		4 Point –	1 Mark	
		5 Point –	1 Mark	
		6 Point -	1 Mark	
	ii.	1 Point –	1 Mark	<b>6</b>
		2 Point –	1 Mark	
		3 Point –	1 Mark	
		4 Point –	1 Mark	
		5 Point –	1 Mark	
		6 Point -	1 Mark	

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OR	iii.	1 Point –	1 Mark	<b>6</b>
		2 Point –	1 Mark	
		3 Point –	1 Mark	
		4 Point –	1 Mark	
		5 Point –	1 Mark	
		6 Point –	1 Mark	

Q.6 Attempt any two:

i.	1 Point –	1 Mark	<b>5</b>
	2 Point –	1 Mark	
	3 Point –	1 Mark	
	4 Point –	1 Mark	
	5 Point –	1 Mark	
ii.	Legal framework –	5 Marks	<b>5</b>
iii.	1 Point –	1 Mark	<b>5</b>
	2 Point –	1 Mark	
	3 Point –	1 Mark	
	4 Point –	1 Mark	
	5 Point –	1 Mark	

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