



CBCS SCHEME

16/17MBAFM302

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Third Semester MBA Degree Examination, Jan./Feb. 2021 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 Time Value table is permitted.

- 1 a. What is the role of the underwriter? (02 Marks)
b. Discuss the functions of investment banks. (06 Marks)
c. Distinguish between factoring and forfeiting. (08 Marks)
- 2 a. What do you mean by Remote realization? (02 Marks)
b. Explain the NSDL. (06 Marks)
c. Explain SEBI regulations for portfolio managers. (08 Marks)
- 3 a. What are self help groups? (02 Marks)
b. Briefly explain reverse mortgage loan. (06 Marks)
c. Discuss the RBI guidelines and prudential norms for NBFC's. (08 Marks)
- 4 a. What is book building? (02 Marks)
b. Briefly explain factoring mechanism with block diagram. (06 Marks)
c. Explain the various types of housing loan. (08 Marks)
- 5 a. What is leveraged lease? (02 Marks)
b. Explain microfinance delivery mechanism. (06 Marks)
c. What do you mean by credit rating? Explain the methodology of credit rating in detail. (08 Marks)
- 6 a. List out the depository participants. (02 Marks)
b. What are the SEBI regulations relating to depositories? (06 Marks)
c. Explain the debt securitization process mechanism. (08 Marks)
- 7 a. Write a note on CDSL? (02 Marks)
b. Examine the income tax implications of housing loans. (06 Marks)
c. Explain the pre-issue activities in the issue management process. (08 Marks)

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CASE STUDY

Tejaswini Industries Ltd. is considering the possibility of purchasing a multipurpose machine for Rs.10 lakhs. The machines has an expected life of 5 years. The machine generates Rs.6,00,000 per year before depreciation and tax. The management wishes to dispose the machine at the end of 5th year which will fetch Rs.1,00,000.

The depreciation allowable for the machine is 25% on WDV and the company's tax rate is 50%. The company approaches a NBFC for a 5 year lease for financing the asset which quoted a rate of Rs.28 per thousand per month.

Evaluate the purchase option and lease proposal. Suggest the best option to the company. The cost of capital of the company is 12% and for the lease option discount rate is 16%. You can ignore the capital loss of depreciation asset. (16 Marks)

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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.