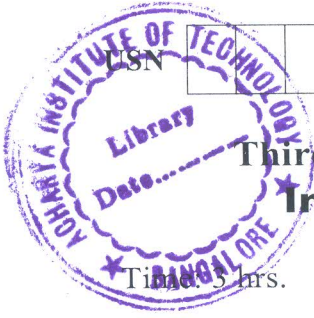


CBCS SCHEME

16/17MBAFM302



Third Semester MBA Degree Examination, July/August 2021 Investment Banking and Financial Services

Time: 5 hrs.

Max. Marks: 80

Note: Answer any FIVE full questions.

- 1 a. Who is depository? (02 Marks)
b. Explain the difference between investment bank and commercial bank. (06 Marks)
c. Explain the process/mechanism of debt securitization. (08 Marks)
- 2 a. What do you mean by 'leveraged lease'? (02 Marks)
b. What is venture capital? What are the three forms of venture capital in India? (06 Marks)
c. Explain the benefits of credit rating to business. (08 Marks)
- 3 a. What is "upfront lease"? (02 Marks)
b. What are the various types of housing loans? (06 Marks)
c. Explain the implication of income tax in housing finance. (08 Marks)
- 4 a. What is "Special Purpose Vehicle"? (02 Marks)
b. What is forfeiting? Explain the forfeiting mechanism. (06 Marks)
c. Discuss the process of clearing and settlement through depositories. (08 Marks)
- 5 a. What do you mean by "Hire Purchase"? (02 Marks)
b. What are the features of Reverse Mortgage loan? (06 Marks)
c. Briefly explain the role of NSDL and CDSL in capital market. (08 Marks)
- 6 a. What do you mean by "Underwriter"? (02 Marks)
b. Discuss the general responsibilities of lead manager. (06 Marks)
c. What are the pre-issue and post-issue guidelines of SEBI for merchant bankers? (08 Marks)
- 7 a. What is meaning of "Credit Rating"? (02 Marks)
b. Explain the process of Venture Capital financing. (06 Marks)
c. Explain the advantages and limitations of leasing. (08 Marks)
- 8 A company needs equipment which costs 15 lakh for production purpose. Due to lack of funds, the company has to either borrow funds or lease the equipment for 5 years. If it is borrowed, interest rate is @ 15%. It has salvage value of 1,50,000 at the end of 5 years. In case the equipment is taken on lease, an annual rent of 4,95,000/- is charged at the end of year. Depreciation is allowed @ 15%, on equipment using WDV method. The company is in tax bracket of 50%. Apply discount rate of 14%. Evaluate both options and offer your comments. (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.