

Seat No.: _____

Enrolment No. _____

GUJARAT TECHNOLOGICAL UNIVERSITY**MBA - SEMESTER– III EXAMINATION – WINTER 2019****Subject Code: 4539292****Date: 30-11-2019****Subject Name: Financial Markets and Services****Time: 10:30 AM TO 1.30 PM****Total Marks: 70****Instructions:**

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.

Q.1. Answer the following questions 14

1. Define fee based financial services and give two examples for the same.
2. Explain the meaning of financial inclusion and exclusion.
3. What is the difference between primary market and secondary market?
4. Elaborate upon two functions of IRDA.
5. Define Crypto currency.
6. Write any two differences between leasing and hire purchase.
7. Define an index fund.

Q.2 (a) Explain various components of formal financial system in India. Explain their role for the development of the Indian Financial System. 07**Q.2 (b) Discuss the role of RBI as a regulator and supervisor of Indian Financial System. 07****OR****Q.2 (b) Mr. Aditya, a technocrat, has developed an App for the healthcare chain in Baroda city. He wants to expand this commercial innovation and proposes to raise venture capital funding for the same. Please guide him regarding the process of raising venture capital funding. 07****Q.3 (a) What is NBFC? Explain its functions and role in the economic development in India. 07****Q.3 (b) Why investing in mutual fund has gained lot of importance and momentum in India? Explain how small and retail investors can be benefited by investing in mutual fund? 07****OR****Q.3 (a) Write a detailed note on crowdfunding scenario in India. 07****Q.3 (b) "Exporters can use forfeiting mechanism to receive immediate cash by selling their receivables" Do you agree with the statement? Justify your answer with the illustration of forfeiting process. 07****Q.4 (a) What is Microfinance and how does it work? 07****Q.4 (b) Briefly discuss various reforms in the Primary and Secondary market in the context of various scams in the Indian financial system. 07****OR****Q.4 (a) Discuss the role of various parties involved in the securitization process. 07****Q.4 (b) Money Market plays an important role by supplying the short term funds". Critically analyse the statement with respect to any three money market instruments. 07**

- Q.5** Solar energy ltd, a private limited company, based in Ahmedabad, is engaged in to providing solar energy solutions in the retail as well as corporate segment. The company is having good presence in the urban area and wants to expand its reach in the rural segment across Gujarat.

Solar power in India is a fast developing industry. The country's solar installed capacity reached 31.101 GW as of September, 2019. India has the lowest capital cost per MW globally to install the solar power plants. Gujarat has been a leader in solar-power generation in India due to its high solar-power potential, availability of vacant land, connectivity, transmission and distribution infrastructure and utilities.

Solar energy ltd. was set up in the year 2010. The company has been profitable since last six years and having a net worth of Rs. 10 crore in each of the preceding three years. Further, the company is having the net tangible assets of Rs. 4 crore. The company has many large projects waiting to be executed. Overall, the company has a bright future.

However, for the expansion plan, the company further needs funds to the tune of Rs. 45 crores. The company is constrained in availing bank loans due to collateral requirements and therefore proposes to come out with an IPO.

You are appointed as a lead merchant banker for this IPO.

In relation to this situation, answer the following questions. You may make relevant assumptions to support your answer.

- Q.5 (a)** Considering the case facts, is the company eligible to come out with an IPO? **07**
Critically evaluate the conditions for eligibility norms for making an IPO.
- Q.5 (b)** Management of the company has no idea about the activities involved at various stages in an IPO. Kindly discuss with the management about the pre-issue obligations involved in an IPO. **07**
- OR**
- Q.5 (a)** What information would you need to draft the prospectus for an IPO? **07**
- Q.5 (b)** Please guide the management of the company about the pros and cons of making an IPO. **07**
