

GUJARAT TECHNOLOGICAL UNIVERSITY**MBA - SEMESTER- IV EXAMINATION – WINTER 2019****Subject Code: 2840601****Date: 03-12-2019****Subject Name: Investment Banking****Time: 02.30 PM to 5.30 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**6**

A market where new securities are bought and sold for the first time is known as a _____ market.

- 1 (A) primary
(B) secondary
(C) tertiary
(D) capital

To regulate scam in Indian capital market, which of the following body has regulatory power:

- 2 (A) SEBI (B) RBI (C) IRDA

Which of the following is/are treated as like artificial currency:

- 3 a) SDR b) ADR c) GDR d) None of these

Which of the following is not a Public Financial Institution:

- 4 (A) National Bank for Agriculture & Rural Development (NABARD)
(B) Life Insurance Corporation of India (LIC)
(C) State Financial Corporations
(D) Axis Bank Limited

Section 3(1)(b) of SARFAESI Act provides that the net owned fund of an asset reconstruction company should:

- 5 (A) Not be less than two crore rupees or such higher amount as the Reserve Bank may notify
(B) Not be less than three crore rupees or such higher amount as the Reserve Bank may notify
(C) Not be less than four crore rupees or such higher amount as the Reserve Bank may notify
(D) Not be less than one crore rupees or such higher amount as the Reserve Bank may notify

Before which for a can an asset reconstruction company file an application for enforcement of its security interest:

- 6 (A) Debt Recovery Tribunal (B) High Court (C) District Court (D) NCLT

(B) Define :

- 1 Underwriting Devolvement

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(c) Write in detail the genesis of CDR in detail.

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Q: 2 (A) Explain the ethical issues and conflict of interest that arise for an Investment banker while undertaking various roles/activities. How should these be dealt with? **7**

(B) Differentiate merchant banker and Investment banks. **7**

OR

(B) Explain pricing v/s valuation concept in share pricing. **7**

Q:3 (A) DFL Ltd. company is planning to raise capital to fund it's expansion by issue of fresh equity shares. Mr. Nandkishor as a investment Advisor is confused whether he should raise money by Public Issue or by Private Placement. You are a merchant banker and Mr. Nandkishor approaches you for advice. What will be your advise? Justify your answer in brief whether you would advise Public issue or Private placement. **7**

(B) State the importance of Underwriting in any public issue. Also elaborate its different types in detail **7**

OR

(A) What are the various types of debentures available in the securities market? **7**

(B) Explain the role played by Investment banker in a Merger/Acquisition deal. **7**

Q: 4

(A) Venture capital emerged as a very useful tool for raising finance. Explain the statement with its features and benefits. **7**

(B) Discuss the emergence of Investment Banks in the US and India. **7**

OR

(A) Write in detail the different equity, hybrid and debt instrument available for funding in the domestic market **7**

(B) Who is QIB? Discuss the different type of QIBs and also elaborate on the guidelines governing the investment decisions of QIBs. **7**

Q:5

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As a Investment bank analysis kindly focus on the main loophole of US investment bank crises of 2008. Write your view about the dark side of Investment banking with reference to the US investment bank crisis 2008 and its impact on global economy with fact'o file

OR

Your Financial Institution is expanding its business operations in the field of Investment Banking divisions in India. As a Investment bank which sort of compliances should keep in your mind as well as elaborate all the necessary approvals are to be taken from the government. As a Investment Banking divisions, kindly specified how to enter market and also elaborate the Regulatory aspects of Investment Banking in India.
