

Seat No.: _____

Enrolment No. _____

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA –SEMESTER 4– • EXAMINATION – WINTER 2018**Subject Code: 2840601****Date:10/12/2018****Subject Name: Investment Banking (IB)****Time:02:30pm To 05:30pm****Total Marks: 70****Instructions:**

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

Q.No1.(a)**6**

1.A document which contains the important details about the issue of shares is
own as:

- | | |
|-------------------------|-----------------------|
| A. Share offer document | B. IPO offer document |
| C. Prospectus | D. Prospectus letter |

2. NSDL stands for:

- | | |
|--|---|
| A. Nominal securities Depository Limited | B. National Securities Depository Limited |
| C. National Savings Depository Limited | D. Nominal Savings Depository Limited |

3. To acquire -----shares, shareholders have to pay an extra amount.

- | | | | |
|----------|-----------|----------------|--------------------|
| A. Bonus | B. Rights | C. Convertible | D. Non-convertible |
|----------|-----------|----------------|--------------------|

4. When the investment bankers bears the risk of not being able to sell a new security at the established price, this is known as:

- | | |
|----------------------------|--------------------|
| A. A best efforts offering | B. Undertaking |
| C. Shelf registration | D. Making a market |

5 The green shoe option is a clause in the underwriting agreement of an IPO, which allows to ___?

- | | |
|--|----------------------------|
| A. Sell additional shares | B. Record Investor demands |
| C. Purchase the shares back from Investors | D. None of them |

6. NAV of the company is:

- | | |
|--|-------------------------|
| A. Revaluation of assets | B. Book value of assets |
| C. Total assets reduced by liabilities | D. None of them. |

Q.1 (b) Explain the following term: **www.FirstRanker.com** **www.FirstRanker.com** 04
1. Due Diligence
2. Undertaking Devolvment
3. Buy back of shares
4. ADR

Q.1 (c) Who is QIB? Discuss the different type of QIBs 04

Q.2 (a) Write a note on: SARFAESI Act . 07

(b) Discuss the role of investment banking in primary market. 07

OR

(b) 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? 07

Q.3 (a) Explain the concept of bond, types and its valuation with example 07

(b) Elaborate book building method of issuing securities in the market. How it differs from fixed price issue. 07

OR

Q.3 (a) Discuss delisting types, process and requirements. 07

(b) What is Venture Capital? What are the factors considered by Venture capital firms before they finance a venture? 07

Q.4 (a) What is credit rating? What functions does it provide? Why do companies go for rating their securities? 07

(b) Write an explanatory note on BIFR. 07

OR

Q.4 (a) Explain the role played by Investment banker in a Merger/Acquisition deal. 07

(b) Write a note on term loan as an important source of long term finance. 07

Q.5 “It is difficult to find the exact value of a company’s share”, do you agree with this statement. Explain. Also mention the different methods available to value a business entity. Give suitable illustration to support your answer. 14

OR

Q.5 A company requires fund for Future expansion. You are a Project Finance Consultant and the company approaches you for advice. How should the company fund the expansion? Justify your advice. 14
