[This question paper contains 2 printed pages.]

Your Roll No...............

Sr. No. of Question Paper : 1368 **L**

Unique Paper Code : 2923062018

Name of the Paper : Investment Banking and Financial Services (DSE)

Name of the Course : **BMS (NEP: UGCF-2022)**

Semester : IV

Duration : 3 Hours Maximum Marks : 90

Instructions for Candidates

1. Write your Roll No. on the top immediately on receipt of this question paper.
2. Attempt **any 5** questions and answer all parts of each question together.
3. **All** questions carry equal marks.

Question 1

(a) Trace the evolution of investment banking in India and analyze how digitalization and global integration have redefined its traditional functions.

(9 marks)

(b) Explain the obligations and responsibilities of lead managers as prescribed by SEBI.
(9 marks)

Question 2

(a) Compare the Fixed Price Method and Book Building Process, highlighting the role of the Book Runner and Price Band in price discovery.

(9 marks)

(b) Discuss the concept of 'Underwriting Obligations' and how they mitigate the risk of an issue failing due to under-subscription **(9 marks)**

Question 3

(a) A company needs a machine for 5 years. It can either lease the machine or buy the machine by taking a loan. The company's tax rate is 40%. If the company leases the machine, it will pay annual lease rent of ₹1,00,000 for 5 years, payable at the end of each year. All maintenance expenses will be paid by the company. If the company purchases the machine, the cost of the machine is ₹3,00,000. The company can borrow this amount at 12% interest and repay the loan in 5 equal annual instalments. The machine will be depreciated on a straight-line basis with no salvage value.

Required:

Advise the company whether it should lease the machine or purchase it. Also examine the decision if lease payments are made at the end of the year and if they are paid in advance.

(12 marks)

(b) What are the pros and cons of taking factoring services from any factor? How Factoring is different from Forfaiting? **(6 marks)**

Question 4

(a) Explain the concept of Venture Capital and describe its evolution. Also discuss the key stages in the venture investment process. **(9 marks)**

(b) What is securitization? Explain its process and the role of different parties involved in a securitization transaction. **(9 marks)**

Question 5

(a) Explain the concept of hire purchase, including interest and instalment components, and differentiate it from leasing while discussing criteria for choosing between the two.

(9 marks)

(b) Analyze the legal and ethical significance of a prospectus and the consequences of misstatements for directors and promoters. **(9 marks)**

Question 6

Write Short notes on (Any three of the following) **(6×3)**

i. Right Issue
ii. Operating Lease Features
iii. Merger Theories
iv. Investment Banking Functions
v. Promoter's Contribution

(100)