GUJARAT TECHNOLOGICAL UNIVERSITY MBA – SEMESTER (04) – • EXAMINATION – SUMMER 2016

Subject Code: 2840601					Date: 10/05/2016		
Subj	ect N	Name: Investmen	t Ba	nking (IB)			
Time:10.30 AM TO 01.30 PM					Total	Marks:	70
Instructions:							
		Attempt all questions					
	 Make suitable assumptions wherever necessary. Figures to the right indicate full marks. 						
0							
Q.	Select the correct answer for the given MCQ						6
No. 1							
(a)	Core Investment Banking in Indian context is prodominantly non fund based						
1	Core Investment Banking in Indian context is predominantly non fund based activity while in the US and other developed markets, it is predominantly fund						
1.	activity while in the US and other developed markets, it is predominantly fund based						
			р	False			
	A. Tha	True full form of ARC is	B.	False			
	A.	Asset	B.	Assat Pasanciliation company			
	A.	Reconstruction	D.	Asset Reconciliation company			
2.							
	C.	company Asset Renewable	D	Asset Renowned Company			
	C.	Company	D	Asset Renowned Company			
	An Investment bank holding expertise in a specific sector or a service is called						
	as a						
3.	A.	Buldge bracket	B.	Boutique Investment Banks			
		Investment Banks		1			
	C.	Merchant Banks	D.	Investment Banks			
	NA	V of the company is					
	A.	Revaluation of	B.	Book value of Assets			
4.		assets					
ч.	C.	Total assets	D.	None of them			
		reduced by					
	~	liabilities					
	Green Shoe option is to provide more number of shares to the investors than						
5.	-	inally planned in:	п				
	A.	FPO Dishta Jaguna	B.	Private Placement			
	C.	Rights Issues	D.	IPO le to the company to increase its FE	ond ro	duco	
		A restructuring option available to the company to increase its EPS and reduce the number of shares in the markets					
6.	A. Takeover B. Buyback						
	C.	Merger	D.	Split off			
Q.1		Define the followin		1			04
X	(~)	1. Underwriting Devolvement					
	2. Due Diligence						
		3. BIFR					
		4. Takeover					
Q.1	(c)	Differentiate briefly	y Inv	estment banking and Merchant Ban	king		04

- Q.2 (a) Explain in detail, the business portfolio of Investment Banks and services 07 rendered by them.
 - (b) Discuss the emergence of Investment Banks in the US and India.

OR

- (b) You are a manager of an Investment Bank facing dilemma to suggest your Investors and the corporate clients at the same time. Discuss this statement in lieu of "Conflict of Interest" in detail and suggest the probable solutions to it.
- Q.3 (a) Write in detail the different equity, hybrid and debt instrument available for 07 funding in the domestic market
 - (b) Your company is a listed company in India and wants to get listed in the USA. What options does your company hold to get its shares listed on American Stock exchange? Discuss it in detail with the compliance requirement.

OR

- Q.3 (a) State the difference between private equity and venture capital. Discuss the 07 investment banking perspective in Private equity
 - (b) Who is QIB? Discuss the different type of QIBs and also elaborate on the guidelines governing the investment decisions of QIBs.
- Q.4 (a) Write in detail the genesis of CDR in detail. Discuss the three tier structure 07 of CDR of India.
 - (b) A company in a high growth stage has a free cash flow to firm of Rs 196
 (b) Iakh in the first year which is expected to grow at the rate of 9% every year for five year. The cost of equity is 14.65% and cost of debt is 7%. The debt ratio is 50%. Find out the Present value of FCFF at the end of five years. Also find the value of firm at the end of stable growth rate period if the growth rate is 5%, Cost of equity 13.27% and cost of debt 6.65% where debt ratio is 30%

OR

- Q.4 (a) State the importance of Underwriting in any public issue. Also elaborate its 07 different types in detail
 - (b) Write in detail the strategies of Corporate split up by transfer of equity and transfer of assets. Discuss the same with some relevant examples.
- Q.5 Your Financial Institution is expanding its business operations in the field of Investment Banking divisions in India. All the necessary approvals are to be taken from the government. The Investment Banking divisions of yours have an option to provide services to certain specific group of companies (sector) or the whole market. Discuss (1) The Regulatory aspects of Investment Banking in India.

(2) Select the type of Bank you belong to and justify your answer.

OR

Q.5 Your Investment Banking Division has got an option to help a company called "Apex Ltd" to raise an IPO of 15, 00,000 numbers of shares having a face value of INR 10 each. Price band is from 110 to 115 and bids can be made in multiple of 20 equity shares and thereafter. Make all the necessary required assumptions and elaborate on the pre and post IPO process of Apex Ltd in detail.

07