Seat No.: Enrolment No					
GUJARAT TECHNOLOGICA					
MBA - SEMESTER-IV - EXAMINATION Subject Code: 2840601	ON - WINTER 2015 Date: 05/12/2015				
Subject Name: Investment Banking Time: 02.30 PM TO 05.30 PM Instructions: 1. Attempt all questions.	Total Marks: 70				
<ol> <li>Attempt an questions.</li> <li>Make suitable assumptions wherever necessary.</li> <li>Figures to the right indicate full marks.</li> </ol>					
Q1. (a) What are the activities undertaken/ role played by	the modern day Investment Bankers? (7)				
(b) What is meant by Qualified Institutional Buyers (QIB's and their importance for the Primary market	/				
Q2. (a) Mr. Kamal is the CFO of a renowned listed compactable capital to fund it's expansion by issue of fresh equivalent whether he should raise money by Public Issue or merchant banker and Mr. Kamal approaches you for Justify your answer in brief whether you with placement.	by Private Placement. You are a for advice. What will be your advise?				
(b) Explain the ethical issues and conflict of interest while undertaking various roles/activities. I					
OR					
(b) What is Venture Capital? What are the factors corbefore they finance a venture?	nsidered by Venture capital firms (7)				
Q3. (a) What is meant by Credit Rating? How does credit issuers (Fund raisers) of securities (7)	rating help the investors as well as				
(b) Explain the role of a Merchant Banker in an IPO (	Initial Public Offer). (7)				
OR					
Q3. (a) What is meant by Buyback of Shares and Delisting going for a Buy back of Shares?	g of Shares? What are the motives for (7)				
(b) A company requires fund for Future expansion. It term loan or by issue of fresh equity shares. You are company approaches you for advise. How should be a company approaches are should be a company approaches.	re a Project Finance Consultant and the				

(7)

Debt or by issue of equity. Justify your advise.

- Q4. (a) Explain the role played by Investment banker in a Merger/Acquisition deal. (7)
  - (b) What is meant by Underwriting of a Public Issue? How does the Underwriter get it's compensation? What care should underwriter take before underwriting an issue? (7)

OR

- Q4. (a) Explain the important features of SARFAESI Act. (7)
  - (b) What do you understand by Corporate Debt Restructuring (CDR)? Explain the process and importance of CDR for companies in Distress (7)
- Q5 (a) "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 (7)
  - (b) Explain the various measures undertaken by SEBI to safeguard the interest of Investors, who invest in a Public issue of a company. (7)

OR

Q5 The Finance Manager of "Air Voice" company has estimated future free cash flow (FCFF) of the company for 6 years as Follows:

Year End	(Rs. Crores)
1	400
2	800
3	1050
4	1400
5	950
6	600

The FCFF are expected to be constant at Rs. 600 crore after six years as the mobile scenario in the country is likely to be stabilized by then. Assuming 13 percent overall cost of capital and total external liabilities of Rs. 2400 crores based, calculate the Value of the corporate (total) as well as value of Equity. Also find out value per share if the company ten crore shares outstanding. (14)

Year>	1	2	3	4	5	6
PVIF @ 13%	0.885	0.783	0.693	0.613	0.543	0.480