

CBCS Scheme

USN

--	--	--	--	--	--	--	--	--	--

16MBAFM302

Third Semester MBA Degree Examination, Dec.2017/Jan.2018

Investment Banking and Financial Services

Time: 3 hrs.

Max. Marks:80

- Note:** 1. Answer any Four questions from Q.No. 1 to Q.No. 7.
2. Question No. 8 is compulsory.
3. Use of Time value table is permitted.

- 1 a. What is Depository? (02 Marks)
b. Explain the types of housing finance. (06 Marks)
c. Briefly explain the functions of National Housing Board (NHB). (08 Marks)
- 2 a. What is Factoring? (02 Marks)
b. Briefly explain the functions of NBFC. (06 Marks)
c. What are the types of lease financing? Explain. (08 Marks)
- 3 a. What is Venture Capital? (02 Marks)
b. Write a note on Merchant Banking Services. (06 Marks)
c. Briefly explain the benefits of depository system. (08 Marks)
- 4 a. What is Special Purpose Vehicle (SPV)? (02 Marks)
b. Explain the types of Underwriting. (06 Marks)
c. What is Forfeiting? Differentiate between Factoring and Forfeiting. (08 Marks)
- 5 a. What do you mean by Securitization of debt? (02 Marks)
b. Compare lease financing with hire purchase financing. (06 Marks)
c. Discuss the steps involved in credit rating process. (08 Marks)
- 6 a. What do you mean by Rematerialization? (02 Marks)
b. Write a note on i) NSDL ii) CDSL. (06 Marks)
c. Write the benefits of Securitization. (08 Marks)
- 7 a. Write a note on SHG. (02 Marks)
b. Discuss the different stages in venture capital financing. (06 Marks)
c. What do you mean by Reverse Mortgage Loan? Briefly explain various functions of Investment Banks. (08 Marks)
- 8 CASE STUDY :

ABC machine tool Company Ltd is considering the acquisition of a large equipment to set-up its factory in a backward region for ₹ 12,00,000. The equipment is expected to have an economic useful life of 8 years. The equipment can be financed either with an 8 year term loan at 14% interest, repayable in equal installments of ₹ 2,58,676 per year or by an equivalent amount of lease rent per year. In both the cases, payments are due at the end of the year. The equipment is subject to Straight line method of depreciation for tax purposes. Assuming no salvage value after the 8 years uselife and 50 percent tax rate, which of the financing alternative should it select? (16 Marks)
