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Question Paper Code : X 85115

M.B.A. DEGREE EXAMINATIONS, NOVEMBER/DECEMBER 2020
Elective
BA 5011 – MERCHANT BANKING AND FINANCIAL SERVICES
(Regulations 2017)

Time : Three Hours

Maximum : 100 Marks

Answer ALL questions

PART – A

(10×2=20 Marks)

1. List out the any four functions of Merchant Banking.
2. Define Financial System.
3. What do you mean by preference shares ?
4. Define Underwriters.
5. Recall the difference between acquisition and take over.
6. List out the objectives of Mutual Funds.
7. What is Hire Purchase as per the Act ?
8. Define Leasing.
9. Recall the different types of credit cards.
10. List out the objectives of venture capital.

PART – B

(5×13=65 Marks)

11. a) Briefly explain the recent developments and challenges ahead of Merchant Banking in India. Quote relevant examples and arguments.

(OR)

- b) Describe the objectives and powers of Security Exchange Board of India (SEBI) with suitable examples.

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12. a) Define Convertible Cumulative Preference Shares (CCPS). Construct your arguments on terms and conditions of CCPS issues.
(OR)
- b) Define Debenture. Describe the different features of debentures with suitable arguments and examples from Indian Merchant Banking Industry.
13. a) Explain briefly the major issues of Merger and Acquisition in India. Construct your arguments with suitable examples.
(OR)
- b) Define Credit Rating. Identify the various aspects taken into account by a credit rating agency when a borrowing company applies for rating. Quote relevant examples and arguments from Indian Banking Industry.
14. a) Describe the contents of a lease agreement document with suitable examples.
(OR)
- b) Explain the advantages of acquiring capital assets on lease. Construct your arguments with suitable examples.
15. a) Define Bill Discounting. Briefly explain the salient features of bill discounting as a source of finance.
(OR)
- b) Describe the different features of factoring with suitable examples.

PART – C

(1×15=15 Marks)

16. a) Divya is developing a business plan for her own organization. She aimed to run a micro financing company. When she was working on the financial plan, she realised that her financial requirements will be fixed assets and its installation, like plant and machinery, setting a office, location of the office, initial funds for micro finance, research and development, short-term funds etc. To decide on the source of funds for the venture, she tried to ensure the selection of overall mix of financing for her enterprises.
- i) List out the elements of financial plan which are discussed in the case. (5)
- ii) Why it is important for an entrepreneur to ensure the selection of the best overall financial mix for the enterprise ? (10)
- (OR)
- b) Discuss in detail the procedure for Issue pricing of shares in India. Illustrate the role played by Registrars with respect to Issue management.