

Total No. of Questions : 5]

SEAT No. :

P3802

[4870]-3007

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M.B.A. (Finance Specialization) (CBCS)
306 - MERCHANT BANKING AND FINANCIAL SERVICES
(2013 Pattern) (Semester - III)

Time : 2½ Hours]

[Max. Marks : 50

Instructions to the candidates:

- 1) *All questions are compulsory.*
- 2) *Each question has an internal option.*
- 3) *Each question carries 10 marks.*
- 4) *Your answers should be specific and to the point.*
- 5) *Give suitable illustrations supportive to your answers.*

Q1) a) 'A merchant bank invests its own capital in leveraged buyouts, corporate acquisitions and other structured finance transactions'. Why? Explain. **[10]**

OR

b) 'Money Market Instruments provides liquidity funding for the financial system'. Discuss. **[10]**

Q2) a) 'Prospectus is an advertisement giving a complete picture of the company and its future activities, plans and policies;. Do you agree with the statement? Explain. **[10]**

OR

b) 'Underwriters accept the responsibility of distributing a securities issue to the public'. Do you agree with the statement? Explain. **[10]**

Q3) a) 'Mergers and Acquisitions can generate cost efficiency through economies of scale and enhance the revenue through gain in market share'. Do you agree with the statement? Explain. **[10]**

OR

b) 'Debentures as an important source of borrowed capital'. Explain the statutory provisions and procedure relating to issue of debentures. **[10]**

P.T.O.

Q4) a) 'Lease contract allows the use of an asset, but does not convey rights similar to ownership of the asset'. Explain. [10]

OR

b) 'Factoring provides a solution for businesses, to managing cash flow'. Discuss. [10]

Q5) a) 'The hallmark of any mutual fund is to outperform in the market both in rising and falling markets situation besides ensuring benefits of diversification'. Justify. [10]

OR

b) 'Venture capital is seed capital for industrial start ups'. Explain. [10]

