

0Seat No.: _____

Enrolment No. _____

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA – SEMESTER 4 – EXAMINATION – SUMMER 2019

Subject Code: 2840601

Date:08/05/2019

Subject Name: Investment Banking

Time: 10:30 AM To 01:30 PM

Total Marks: 70

Instructions:

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.

- Q – 1 (A) 1. Which of the following is not a feature of equity share. 6
(A) Ownership (B) Voting right
(C) Fixed Dividend (D) perpetuity
2. ARC Stands for:
(A) Account Receivable Center (B) Asset Reconciliation Client
(C) Asset restructuring counsel (D) Asset Reconstruction Company
3. Which of the following is true
(A) Venture capital always provides finance thru secured loan.
(B) Venture capital always provides finance thru equity.
(C) Venture capital generally provides finance thru equity
(D) Venture capital only helps in getting finance from banks
4. A voluntary delisted company can be relisted after _____ years of delisting.
(A) 7 years (B) 5 years
(C) 3 years (D) none of the above
5. Green Shoe option is to provide more number of share to the investors than Originally planned for in:
(A) FPO (B) Private Placement
(C) Right Issue (D) IPO
6. “QIP” stands for:
(A) Quick Issue Process (B) Qualified Issue Parties
(C) Qualified Institutional Placement (D) Qualified Issue Process
- Q – 1 (B) Explain the following terms. 4
1. Book Building
2. FCCB
3. Leverage buyout
4. Hardware vs. software restructuring
- Q – 1 (C) Explain and differentiate between horizontal and vertical merger with real life examples. 4
- Q – 2 (A) What is underwriting? Explain the concept of sub underwriter and underwriter agreement. 7

Q – 2 (B) Discuss the features and types of debt instruments. 7

OR

Q – 2 (B) Discuss Private equity and Venture capital as sources of long term financing. 7

Q – 3 (A) Explain the concept, objectives and types of delisting of shares. 7

Q – 3 (B) Write a short note on BIFR and SARFAESI Act. 7

OR

Q – 3 (A) Write a note on Corporate Debt Restructuring and ARCs. 7

Q – 3 (B) Elaborate the meaning and areas of Due diligence in M&A by investment banker. 7

Q – 4 (A) Briefly explain the advantages of credit rating to various stakeholders in the financial market. 7

Q – 4 (B) Explain the concept of Devolvment with suitable example. 7

OR

Q – 4 (A) Elaborate the role of investment banker in structuring the M&A transaction. 7

Q – 4 (B) What are the various activities to be performed in Issue management? 7

Q – 5 Mr. Ashok kumar is CFO of a leading pharmaceutical company based at Pune. The company plans for a large scale expansion which require Rs. 3000 crore. He is open for raising the amount from domestic market as well as from abroad. But he is unable to make the decision regarding the appropriate method of raiding the fund. You, as an investment banker, are advised to assist Mr. Ashok kumar by explaining various sources and routes available to raise the money from domestic and foreign market. 14

OR

Q – 5 Gen-next Group of Industries is a leading business conglomerate having business interests in 25 different sectors and industries having the offices and plants in 28 countries across the globe. The group has around 400 products/services and 1,00,000 employee base. The group caters to around 25 lakhs customers including retail, corporate and governments. However, in the recent time, the group feels that the performance of the group has not been very remarkable and the present structure of the group may not be appropriate in the current environment. The group has decided to go for restructuring and appointed you as an adviser to plan and execute the restructuring. 14

Please advice the Gen-next Group of Industries about various restructuring techniques available for performance improvement.