

Z 4524

M.B.A. DEGREE EXAMINATION, NOVEMBER/DECEMBER 2006.

Third Semester

BA 1728 — MERCHANT BANKING AND FINANCIAL SERVICES

(Regulation 2005)

Time : Three hours

Maximum : 100 marks

Answer ALL questions.

PART A — (10 × 2 = 20 marks)

1. Define the term 'merchant banking'.
2. State the disclosures to be made to the SEBI as part of general obligations of merchant bankers.
3. What does the term 'optimal capital structure' refer to?
4. What is 'rights issue method' of share offer?
5. Distinguish between merger and takeover.
6. Who is a discretionary port folio manager?
7. What is 'Swap leasing'?
8. Identify the different ways of determining the rate of interest under the hire purchase finance arrangement.
9. Distinguish between 'with recourse' and without recourse' factoring.
10. What is a 'smart card'?

PART B — (5 × 16 = 80 marks)

11. (a) Give a detailed account of the regulatory framework available for merchant banking activity in India.

Or

- (b) Discuss the various general obligations of merchant bankers under the SEBI regulations.

12. (a) What do you know of the IPO method of marketing securities? Explain the procedure involved in the same.

Or

- (b) What are the regulations and laws that govern issue management in India? Discuss in detail.

13. (a) Explain the portfolio management process of a mutual fund.

Or

- (b) Explain the method of reporting adopted for a hire purchase finance transaction.

14. (a) State the different approaches of ascertaining the purchase price by an acquiring firm.

Or

- (b) Write a detailed note on the syndication of working capital funds by merchant bankers.

15. (a) Identify the safe guards to be followed by a banker while granting consumer credit.

Or

- (b) What is 'start-up' financing? What factors does a venture capitalist consider before making start-up advance?