

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA – SEMESTER –III-EXAMINATION – WINTER-2022

Subject Code: 1539341**Date:03/02/2023****Subject Name: Investment Banking****Time:10:30 AM to 1:30 PM****Total Marks: 70****Instructions:**

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.
4. Use of simple calculators and non-programmable scientific calculators are permitted.

		Marks
Q.1	Definitions (a) Multibagger IPOs (b) Grey Market Signals (c) ETF (d) Mergers and Acquisitions (M&A) (e) Client Trading (f) Underwriting (g) Dow Theory	14
Q.2	(a) What do you mean by Investment Banking? Write down the functions of Investment Bank.	07
	(b) What do you mean by Financial Crises? Explain the different types of Financial Crises.	07
OR		
	(b) Difference between Merchant Bank, Investment Bank and Commercial Bank.	07
Q.3	(a) What are the functions of SEBI? Write down its responsibilities as a regulating authority?	07
	(b) What do you mean by Book Building? Also, explain the term Bid and Bidder in the process of book building.	07
OR		
Q.3	(a) What do you mean by credit market? How it is differ from equity market?	07
	(b) Who is Stock Broker? Write down the types of stock broker and discuss its responsibilities.	07
Q.4	(a) What are the major types of Bonds? Discuss the advantages and disadvantages of investing in Bonds.	07
	(b) What do you mean by “Deferred Order”? Explain its effect on EXIM.	07

OR

- Q.4 (a)** What do you mean by “Letter of Indemnity”? Explain the importance of this document. **07**
- (b)** What do you mean by Counter trade? Discuss its advantages and disadvantages of this trade. **07**
- Q.5 (a)** Calculate the bond yields for each example given **07**
- (i) 5% Treasury stock 2028 is currently priced at £104 per £100 nominal.
- (ii) A company issues a bond priced £65 per £100 nominal, paying 2% coupons half-yearly with redemption in 2024.
- (iii) A bond priced at £110 per £100 nominal, with a variable coupon of 1.5% above LIBOR has a redemption date of 2016. LIBOR is averaging 1.2%.
- (b)** Why do a business need fund? Describe the stages of funding. **07**

OR

- (a)** What do you mean by Rating Agency? Discuss the global credit rating. **07**
- (b)** Who is an investor? Describe the different types of investor? Also, discuss the investment cycle. **07**
