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SYBFM (SEM IV)

Merchant Banking

- Note :** 1. Below given is only the guidelines marking scheme. If student's content is relevant other than the guidelines should be considered and allot the marks accordingly.
2. Avoid giving marks in fractions.

SOLUTION

I A Fill in the Blanks

1. 20lakhs
2. lead manager
3. SEBI
4. Angel investors
5. 15
6. American Depository Receipts
7. 5 lakhs
8. Secured
9. FCCB
10. Global Depository Receipt

I B True or False

1. False
2. True
3. True
4. False
5. True
6. False
7. True
8. False
9. True
10. False

II A) The services offered by Merchant Bankers are : Corporate counselling, project counselling, Issue management, Loan syndication, Underwriting, portfolio management, venture capital, mergers and acquisitions.

1 mark for each point

II B) The benefits of listing a company at the stock exchange are :

From company point of view : 4 points

From investor point of view : 3 points

1 mark for each point

OR

2

II C) Book building process **1 mark for each step**
II D) Any 7 points to be written **1 mark for each point**

IIIA) 8 advantages to be written **1 mark for each point**
IIIB) The qualities of Merchant Banker are Ability to analyze, knowledge, capital market familiarity, innovative approach, integrity, attitude towards problems. **1 mark for each point**

OR

III C) Definition of FCCB. Write 6 features of FCCB. **2marks definition, 6marks features**
III D) The different category of investors are Retail Institutional Investors, Qualified institutional investors, Non institutional investors, Anchor investors. **2 mark for each point**

IV A) Write the role and responsibility of IPA, Issuer and CRA **2 marks for each point**
IV B) Types of Debentures are Redeemable, non redeemable, secured, unsecured, registered, bearer **2 marks for each point**

OR

IV C) Each step 1 marks
IV D) Participants of GDR are Brokers, Depository, Custodian, investment banker, lawyers, accountant and the Issuing company. **1 mark for each point**

Q.5 A Definition of Rights Issue. Provision - **2marks definition, 6marks features**

B 7 points of Difference between ADR and GDR. – **1 mark each point**

OR

C Short notes (Any Three) :

Each short note – 5 marks

Each concept may be divided into Meaning or Definition ---- **2 marks**

Features / Characteristics / Advantages /Disadvantages, Example ,etc. ---**3 marks**
