5. (a) Describe the procedure of acquisitions and takeovers in India. Also explain various anti-takeover strategies used by firms (9)

(b) Discuss the advantages and limitations of leasing, and explain how lease rentals are determined and finance lease decisions are evaluated from the lessee's perspective. (9)

6. Write Short notes on (Any **three** of the following) (6×3)

(i) Credit Enhancement

(ii) Institutional Structure Investment Banking

(iii) Issue Pricing Methods

(iv) Sale & Lease Back

(v) Housing Finance Growth

01/06/2026

[This question paper contains 4 printed pages.]

Your Roll No..............

Sr. No. of Question Paper : 1188 **L**

Unique Paper Code : 2923062018

Name of the Paper : Investment Banking and Financial Services (DSE)

Name of the Course : **BMS (NEP: UGCF-2022)**

Semester : IV

Duration : 3 Hours Maximum Marks : 90

<u>Instructions for Candidates</u>

1. Write your Roll No. on the top immediately on receipt of this question paper.
2. Attempt **any 5** questions and answer all parts of each question together.
3. **All** questions carry equal marks.

1. (a) Explain the SEBI (Merchant Bankers) Regulations and discuss the importance of mandatory registration, eligibility criteria, and code of conduct. (9)

(b) Critically examine the recent developments, transformations, and future challenges in investment banking in India. (9)

2. (a) Explain the procedure for share allotment and distinguish between allotment, preferential allotment, and private placement. (9)

(b) Examine the importance of promoter's contribution and lock-in period in protecting minority shareholders and ensuring managerial commitment. (9)

3. (a) XYZ Ltd. is planning to acquire a computer for its business operations. The company is considering two alternatives :

1. Purchase Option:

The computer costs ₹15,00,000. It is expected to have a salvage value of ₹5,00,000 at the end of 3 years. The company will depreciate the computer using the straight-line method. Funds for purchase can be borrowed at 12% interest, repayable in three equal annual instalments.

2. Lease Option:

The company can lease the computer for 3 years by paying an annual lease rental of

₹4,00,000 at the end of each year. In addition, the company has to pay 5% of revenue as lease charge each year.

The expected revenue from the computer services is ₹15,00,000, ₹18,00,000 and ₹20,00,000 for the next three years, respectively. The annual operating cost is ₹1,50,000, which will be borne by the company in both cases. The firm's tax rate is 40%.

Required:

Advise the company whether it should purchase or lease the computer. Show the financial evaluation for the decision. (12)

(b) Explain the concepts and arrangements of factoring and forfaiting, and discuss the growth of housing finance in India along with differences between fixed and floating interest rates. (6)

4. (a) Discuss the role and working mechanism of Credit Rating Agencies. How do they influence investment decisions? (9)

(b) Explain the concept of Mergers and Acquisitions. What are the key benefits of mergers, and what role do investment bankers play in this process? (9)