VCD: 21/04/25 FYBIM SEM-II SUB- INVESTMENT BANKING MARKS-75 TIME: 2 ½ hrs

(NOTE: All Questions are Compulsory.)

1. (A) State whether following statements are True or False: (Any Eight) **(8)**

1. Risk is the variability in the expected return from a project.
2. In the process of private placement, no prospectus is issued.
3. A bond is a debt security.
4. Bonds represent long-term debt instruments.
5. An IPO lock-up is typically for 90 to 180 days.
6. Risk refers to the loss of principal amount of an investment.
7. Equity Shares carry ownership rights.
8. Investment banks assist in large, complicated financial transactions.
9. Strikes, lawsuits and such events are examples of Unsystematic risk.
10. Return means actual income from a project and appreciation in the value of capital.

1. (B) Fill in the blanks: (Any Seven) **(7)**

a. _______ products offer a high rate of return and a good margin.
[a. Derivatives, b. Bonds, c. Debentures]

b. Hedging is the process of eliminating ______ by entering into an agreement with a counterparty. [a. Certainty, b. Uncertainty, c. Costs]

c. ASBA is a process developed by India's Stock Market Regulator ______ in 2008.
[a. IRDA, b. SEBI, c. RBI]

d. The realized return from a project may not correspond to the _____ return.
[a.Unrealised, b. Expected, c. Certain]

e. People in _______ division face customers directly.
[a. Middle Office, b. Front Office, c. Back Office]

f. ______ services include underwriting new debt and equity securities for all types of corporations. [a. SEBI, b. Registrar, c. Investment Banker]

g. Investment Banks serve as an _______ between investors and corporations.
[a. Intermediary, b. Client, c. Investor]

h. A person making an investment expects to get some ______.
[a. Risks, b. Gifts, c. Returns]

i. Critical role of an Investment Banker in M&A is the _______ of a company.
[a. Reporting, b. Analysis, c. Valuation]

j. The ______ issue means the company does not fix the price, but it has price bands.
[a. Book-building, b. Fixed price, c. Follow-on]

2. A) What is an IPO? Write down the difference between IPO & FPO? **(8)**

B) Explain Return and Types of Returns. **(7)**

OR

2. C) Explain Features and Advantages of ASBA. **(15)**

3. A) Write a Note on Factors Affecting Asset Allocation & Strategies for Asset Allocation. **(8)**

B) What are the Types and Advantages of Private Placement? **(7)**

OR

3. C) What is Investment Banking? Explain the Role, Objectives and Functions of Investment Banking in Detail. (15)

4. A) What is Portfolio Management? Explain the Process of Portfolio Management. (8)
   B) What do you mean by Asset Class? Describe Types of Asset class. (7)

OR

4. C) Explain in detail Types & Importance Venture Capital. (15)

5. A) Explain Risk and Types of Risks. (8)
   B) What are the Recent Trends and Developments in the Investment Banking Industry? (7)

OR

5. B) **Write short notes on: (Any Three)** (15)
   1. Due Diligence Methods.
   2. IPO Lock Up.
   3. Basic Concepts of Investment Banking.
   4. Creating Portfolio.
   5. Nature of Investment & Investment Avenues.