

**GUJARAT TECHNOLOGICAL UNIVERSITY**  
**MBA- SEMESTER - III-EXAMINATION- SUMMER-2023**

Subject Code: 4539292

Date: 01/07/2023

Subject Name: Financial Markets and Services

Time: 02:30 PM TO 05:30 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.

- Q.1 Answer the following question:** **14**
1. Systematic Investment plan
  2. Reverse Mortgage
  3. Depository Services
  4. T+2 Settlement system
  5. LIBOR
  6. Green shoe option
  7. Capital Market
- Q.2 (a)** Explain the various types of leases. **07**
- (b)** Discuss the role of RBI as a regulator and supervisor of Indian Financial System. **07**
- OR**
- (b)** Discuss about the SEBI guidelines on issue of global depository receipts **07**
- Q.3 (a)** Define merchant banking. Explain the SEBI guidelines on merchant banking. **07**
- (b)** Define forfeiting. How does forfeiting help the exporter? **07**
- OR**
- Q.3 (a)** Discuss the nature and importance of Commercial Bill Market and Treasury Bill Market. Explain the recent initiatives taken by RBI to develop these markets in India. **07**
- (b)** Mr. Harsh, a technocrat, has developed an App for the healthcare chain in Mehsana city. He wants to expand this commercial innovation and proposes to raise venture capital funding for the same. Please guide him regarding the process of raising venture capital funding. **07**
- Q.4 (a)** "Exporters can use forfeiting mechanism to receive immediate cash by selling their receivables" Do you agree with the statement? Justify your answer with the illustration of forfeiting process. **07**
- (b)** Discuss briefly about credit rating system of CRISIL **07**
- OR**
- Q.4 (a)** What is Microfinance and how does it work? **07**
- (b)** Money Market plays an important role by supplying the short term funds". Critically analyses the statement with respect to any three money market instruments. **07**

**Q.5** Solar energy ltd, a private limited company, based in Ahmedabad, is engaged in to providing solar energy solutions in the retail as well as corporate segment. The company is having good presence in the urban area and wants to expand its reach in the rural segment across Gujarat.

Solar power in India is a fast developing industry. The country's solar installed capacity reached 31.101 GW as of September, 2019. India has the lowest capital cost per MW globally to install the solar power plants. Gujarat has been a leader in solar-power generation in India due to its high solar- power potential, availability of vacant land, connectivity, transmission and distribution infrastructure and utilities.

Solar energy ltd. was set up in the year 2010. The company has been profitable since last six years and having a net worth of Rs. 10 crore in each of the preceding three years. Further, the company is having the net tangible assets of Rs. 4 crore. The company has many large projects waiting to be executed. Overall, the company has a bright future.

However, for the expansion plan, the company further needs funds to the tune of Rs. 45 crores. The company is constrained in availing bank loans due to collateral requirements and therefore proposes to come out with an IPO.

You are appointed as a lead merchant banker for this IPO.

In relation to this situation, answer the following questions. You may make relevant assumptions to support your answer.

**Q.5 (a)** Considering the case facts, is the company eligible to come out with an IPO? Critically evaluate the conditions for eligibility norms for making an IPO. 07

**Q.5 (b)** Management of the company has no idea about the activities involved at various stages in an IPO. Kindly discuss with the management about the pre-issue obligations involved in an IPO. 07

**OR**

**Q.5 (a)** What information would you need to draft the prospectus for an IPO? 07

**Q.5 (b)** Please guide the management of the company about the pros and cons of making an IPO. 07

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