



Roll No.....

End Semester Examination, December 2024
B. Com (Program) – Semester V
INVESTMENT BANKING (SMMC648A)

Time: 2.5 hrs.

Max Marks: **50**

Note: *All Questions are compulsory. Marks are indicated against each question.*

PART-A

Q.1 Attempt Any Five Questions

2x5

- | | |
|---|-----------------------|
| (a) What is the primary role of an investment bank? | [CO-1] [L-1] 2 |
| (b) In investment banking, the term "book building" refers to; | [CO-1] [L-2] 2 |
| (c) Explain the role of an investment bank in a merger and acquisition (M&A) transaction. | [CO-1] [L-3] 2 |
| (d) Describe the Comparable Company Analysis (CCA) valuation method and its application. | [CO-1] [L-4] 2 |
| (e) Define underwriting in the context of investment banking | [CO-1] [L-5] 2 |
| (f) Define underwriting in the context of investment banking and explain its importance. | [CO-1] [L-3] 2 |
| (g) How does leverage affect the valuation of a company? | [CO-1] [L-4] 2 |

PART-B

Attempt All Questions

- Q.2 Explain how investment banks assist companies in raising capital and the different types of securities they may issue. [CO-2] [L-2] **10**

OR

The primary role of an Investment Bank is to Underwrite and Issue Securities. Elaborate.

- Q.3 Describe the Discounted Cash Flow (DCF) valuation method and its significance. [CO-3] [L-3] **10**

OR

Assume that a deposit is to be made at year zero into an account that will earn 8% compounded annually. It is desired to withdraw Rs. 4,000 three years from now and Rs. 6,000 six years from now. What is the size of the year zero deposit that will produce these future payments?

- Q.4 Discuss the stages of an M&A transaction, including the role of investment banks in each stage. [CO-4] [L-4] **10**

OR

Due Diligence is a major component of an M&A deal process. Elaborate.

- Q.5 What are the key risks associated with investment banking, and how do banks mitigate these risks? [CO-5] [L-5] **10**

OR

Describe the Comparable Company Analysis (CCA) valuation method and its application.