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Question Paper Code	14236
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**MBA - DEGREE EXAMINATIONS, NOV / DEC 2025**

Third Semester

**Master of Business Administration**

**24MBF302 - MERCHANT BANKING AND FINANCIAL SERVICES**

Regulations - 2024

Duration: 3 Hours

Max. Marks: 100

**PART - A (10 × 2 = 20 Marks)**

Answer ALL Questions

	Marks	K- Level	CO
1. Define merchant banking.	2	K1	CO1
2. What is the relation between merchant banks and stock exchanges?	2	K1	CO1
3. Recall primary market.	2	K1	CO2
4. Infer the role of underwriters in issue management.	2	K2	CO2
5. What is credit syndication?	2	K1	CO3
6. How do credit rating agencies influence borrowing costs?	2	K1	CO3
7. Relate hire purchase.	2	K2	CO4
8. Show two tax benefits of leasing.	2	K2	CO4
9. Summarize the consumer credit in India.	2	K2	CO5
10. How does real estate financing help in property development?	2	K2	CO5

**PART - B (5 × 13 = 65 Marks)**

Answer ALL Questions

11. a) Explain the functions of merchant banking and its role in the Indian financial system.	13	K2	CO1
<b>OR</b>			
b) Summarize the relevant provisions of the Companies Act, SCRA and SEBI guidelines impacting merchant banking activities.	13	K2	CO1
12. a) Develop the pre-issue activities involved in managing a public issue.	13	K3	CO2
<b>OR</b>			
b) Identify the role of registrars, bankers and advertising agencies in issue management.	13	K3	CO2
13. a) Illustrate the mergers and acquisitions and their significance as financial services.	13	K2	CO3
<b>OR</b>			
b) Interpret the role and significance of credit rating agencies.	13	K2	CO3
14. a) Compare the basics of leasing and hire purchasing and the types of leases used.	13	K4	CO4

**OR**

*K1 – Remember; K2 – Understand; K3 – Apply; K4 – Analyze; K5 – Evaluate; K6 – Create*

**14236**

- b) Analyze the tax implications of leasing for both lessee and lessor. 13 K4 CO4
15. a) Examine the concept of consumer credit and its development in India. 13 K4 CO5
- OR**
- b) Analyze the role of venture capital in promoting entrepreneurship. 13 K4 CO5

**PART - C (1 × 15 = 15 Marks)**  
**(Compulsory)**

16. a) Before its IPO, Zomato needed large funds to expand operations, acquire startups (like Uber Eats India), and invest in technology & delivery infrastructure 15 K5 CO2

**Option 1: Equity (IPO in 2021)**

(i) Zomato went for a **primary market equity issue** (₹9,375 crore IPO).

This strengthened its equity base, improved solvency, and provided permanent capital without repayment obligations.

(ii) Ownership dilution occurred, but it boosted market visibility and investor trust.

**Option 2: Debt**

(i) If Zomato had chosen debt, servicing interest would have been risky because it was loss-making at the time, with negative cash flows.

(ii) Heavy debt could have worsened its solvency and credibility.

**Question:** Assess the implications of both options on the company's capital structure and recommend the most suitable approach with reasons.