Reg. No.															

Question Paper Code	14297

MBA - DEGREE EXAMINATIONS, NOV / DEC 2025

Third Semester

Master of Business Administration

24MBF308 - INVESTMENT BANKING AND OPERATIONS

Regulations - 2024

Duration: 3 Hours Max. Marks: 100

PART - A (10 × 2 = 20 Marks)

Answer ALL Questions

		Marks	K – Level	CO
1.	Define static data.	2	K1	CO1
2.	Recall the importance of reference data management.	2	K1	CO1
3.	Who are the participants of trade life cycle?	2	K1	CO2
4.	Compare the exchange traded and OTC trades.	2	K2	CO2
5.	Infer the meaning of clearing in trading.	2	K2	CO3
6.	Spell the contents of Master Agreement.	2	K2	CO3
7.	What are Intra and Inter Reconciliation?	2	K1	CO4
8.	Interpret the corporate actions.	2	K2	CO4
9.	Demonstrate collateral management with an example.	2	K2	CO5
10.	Outline the role of custodian in securities lending.	2	K2	CO5

PART - B (5 × 13 = 65 Marks)

Answer ALL Questions

11.	a)	Illustrate the functions of investment banking in India.	13	K2	CO1
		OR			
	b)	Explain the importance and Scope of Data Management.	13	K2	CO1
12.	a)	Apply the steps involved in trade life cycle of investment banking.	13	K3	CO2
		OR			
	b)	Identify the role of ISDA in investment banking process.	13	K3	CO2
13.	a)	Discover the types of netting in Indian secondary market trading.	13	K4	CO3
		OR			
	b)	Examine the types of Settlement and its process Indian Stock Market.	13	K4	CO3
14.	a)	Inspect the Life cycle of Typical Reconciliation process.	13	K4	CO4
		OR			
	b)	Simplify the types of Risk involved in Corporate action processing.	13	K4	CO4
15.	a)	Distinguish Repo Rate Vs Securities Lending and Borrowing.	13	K3	CO5
		OR			
	b)	Categorize the components and features of collateral agreement.	13	K3	CO5

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

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

16. **CASE STUDY : RAPID MARKET VOLATILITY AND CLEARING CHALLENGES (2025)** *15 K5 CO3*

Background:

In March 2025, the Indian equity markets experienced unprecedented volatility due to a sudden global economic downturn and rapid regulatory changes. The Bombay Stock Exchange saw record trading volumes, with thousands of equities, derivatives, and commodities changing hands in short time intervals. While this created high opportunities for traders and investors, the clearing and settlement divisions of leading financial institutions faced enormous challenges. Gross and netting obligations shifted rapidly as the payment obligations were recalculated multiple times each day. Clearing participants had to adapt to changes in exchange trading mechanisms, including updates to order-matching algorithms and settlement cycles. A particular challenge involved the handling of bilateral and multilateral clearing mechanisms. Some trades were cleared bilaterally, requiring direct negotiation and affirmation between counterparties, while others moved through central clearinghouses, with pooled risk and standardized pay-in/pay-out processes. The operations teams had to ensure trades were correctly classified for their respective clearing mechanisms, and that settlement obligations were met in strict time windows. Any errors risked settlement fails, liquidity crises, and regulatory penalties.

Case in point: FastTrade Securities, a major clearing broker, saw its intraday obligations balloon when netting algorithms failed to absorb the shock of exceptional trade cancellations and amendments. Real-time interventions were required to avoid systemic risk, including temporary changes to pay-in and payout schedules and direct oversight from the Securities and Exchange Board of India (SEBI). Across the industry, this crisis highlighted the vital importance of robust match-and-settle technology, proper classification of gross vs. net obligations, and strong coordination among all trading and clearing participants.

Analytical Questions.

1. Decide exchange trading mechanism updates to manage high market volume.
2. Interpret the participant roles during rapid clearing obligation changes.