

MBA - DEGREE EXAMINATIONS, APRIL / MAY 2025

Third Semester

Master of Business Administration**20MBF302 - MERCHANT BANKING AND FINANCIAL SERVICES**

Regulations - 2020

Duration: 3 Hours

Max. Marks: 100

PART - A (10 × 2 = 20 Marks)

Answer ALL Questions

Marks *K-
Level* CO

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|---|---|----|-----|
| 1. State two key powers of SEBI under the SEBI Act. | 2 | K1 | CO1 |
| 2. Name two types of transactions regulated by FEMA. | 2 | K1 | CO1 |
| 3. What is the role of a merchant banker in the appraisal of projects? | 2 | K1 | CO2 |
| 4. How do advertising consultants support businesses in developing effective marketing campaigns? | 2 | K1 | CO2 |
| 5. How would you describe a merger between companies? | 2 | K1 | CO3 |
| 6. Differentiate between mergers and acquisitions. | 2 | K2 | CO3 |
| 7. Can you name one type of asset that can be leased? | 2 | K1 | CO4 |
| 8. What are the key components of financial evaluation? | 2 | K1 | CO4 |
| 9. What is consumer credit? | 2 | K1 | CO5 |
| 10. What are the key components of a mortgage agreement? | 2 | K1 | CO5 |

PART - B (5 × 13 = 65 Marks)

Answer ALL Questions

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| 11. a) Discuss recent developments in SEBI guidelines and the challenges faced by SEBI in regulating the securities market in India. | 13 | K2 | CO1 |
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OR

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| b) What are the main functions of the Over-the-Counter Exchange of India (OTCEI), and how does SEBI oversee its regulatory requirements? Explain. | 13 | K2 | CO1 |
| 12. a) (i) Outline the steps involved in the preparation of a prospectus and its importance for investors and regulators. | 7 | K2 | CO2 |
| (ii) Interpret the criteria for selecting bankers for a public offering and discuss their impact on the success of the issue. | 6 | K2 | CO2 |
| OR | | | |
| b) (i) Discuss the role of registrars in the capital market and their importance for investors and companies. | 6 | K2 | CO2 |
| (ii) Explain the concept of issue marketing and its importance in capital raising. | 7 | K2 | CO2 |
| 13. a) (i) Develop the challenges and risks associated with mergers and acquisitions. | 6 | K3 | CO3 |
| (ii) Identify the role of risk management in portfolio management services. | 7 | K3 | CO3 |

OR

- b) Apply the concept of mutual funds and their benefits for investors. 13 K3 CO3
14. a) Compare the risk factors associated with leasing and hire purchasing and their implications for businesses. 13 K2 CO4

OR

- b) (i) Discuss how financial evaluation plays a critical role in guiding investors toward making informed investment decisions. 6 K2 CO4
- (ii) Describe the purpose and benefits of analyzing financial statements within the context of financial evaluation for both internal and external stakeholders. 7 K2 CO4
15. a) (i) Inspect the implications of credit card debt on personal financial stability and long-term financial goals. 6 K4 CO5
- (ii) Examine the influence of technological advancements on credit card usage and consumer behavior. 7 K4 CO5
- OR**
- b) Discover the role of factoring and forfeiting in the context of global trade financing and economic development. 13 K4 CO5

PART - C (1 × 15 = 15 Marks)

(Compulsory)

16. a) **Role of Merchant Banks in Tata Corus Acquisition** 15 K5 CO1

On January 31, 2007, Tata Steel Limited (Tata Steel), one of the leading steel producers in India, acquired the Anglo Dutch steel producer Corus Group Plc (Corus) for US\$ 12.11 billion (€ 8.5 billion). The process of acquisition concluded only after nine rounds of bidding against the other bidder for Corus - the Brazil based Companhia Siderurgica Nacional (CSN).

While Tata Steel had earlier roped in merchant bankers ABN Amro and Detusche Bank as their financial advisors for the Corus bid in 2007, it had to later hire UK-based merchant bankers NM Rothschild & Sons as financial advisor for the then proposed acquisition. This was clearly a move taken by Tata to topple its Brazilian rival.

As a result of the services provided by Rothschild, the Tatas made the winning bid of 608pence a share as against CSN's final bid of 603 pence a share in the ninth round of bidding.

CSN reportedly pulled out thereafter. The Tata bid was 34% higher than its original bid. This acquisition was the biggest overseas acquisition by an Indian company. Tata Steel emerged as the fifth largest steel producer in the world after the acquisition. The acquisition gave Tata Steel access to Corus' strong distribution network in Europe.

Question

Analyse the role of Rothschild in Tata's acquisition of Corus.