



Avinashilingam Institute for Home Science and Higher Education for Women

Deemed to be University Estd. u/s 3 of UGC Act 1956, Category 'A' by MHRD (now MoE)

Re-accredited with 'A++' Grade by NAAC. CGPA 3.65/4, Category I by UGC

Coimbatore - 641 043, Tamil Nadu, India

Continuous Internal Assessment Test I – February 2025

Semester-II

Class : I PG
Major : M.Com

Time: 2 hours
Maximum Marks: 60

2MCOC13A - ELECTIVE I - PAPER I – FINANCE – INVESTMENT BANKING

CO1: Understand the concept of investment banking and portfolio of investment banking.

CO2: Acquire knowledge on valuation of business and corporate valuation.

CO3: Expose to the knowledge on corporate re-structuring.

CO4: Gain knowledge on Leveraged Buy-outs.

CO5: Acquaint knowledge on Mergers and Acquisitions.

Part - A

Answer all the questions

6 x 1 = 6

- The primary function of an investment bank is
 - Accepting deposits from customers
 - Assisting in raising capital for corporations
 - Providing loans to individuals
 - Managing checking accounts for individuals**CO1: K2**
- The primary regulatory authority that oversees the functioning of investment banks in India is
 - Reserve Bank of India (RBI)
 - Securities and Exchange Board of India (SEBI)
 - Insurance Regulatory and Development Authority (IRDAI)
 - National Stock Exchange (NSE)**CO1: K3**
- Corporate value refer to
 - The value of a company's investment portfolio
 - The total value of all a company's debt obligations
 - The total worth of a company, including its debt and equity
 - The market price of a company's stock**CO2: K3**
- The business valuation model most commonly used to estimate the value of a company based on its future earning potential is the
 - Discounted Cash Flow (DCF) Model
 - Market Value Model
 - Asset-Based Valuation Model
 - Book Value Model**CO2: K2**
- The main objective of corporate restructuring is
 - To increase the size of the company
 - To enhance shareholder value by improving performance and efficiency
 - To eliminate all employees
 - To acquire new customers**CO3: K2**
- The risks associated with a split-up through transfer of assets is
 - The company may face higher taxes after the split-up
 - Shareholders may not receive any value from the new companies
 - The new companies may experience decreased market competition
 - It may lead to a decrease in the company's overall market value**CO3: K3**

Part B

3 x 6 = 18

Answer ALL questions

Each answer should not exceed 400 words or two pages

- a) Explain the core and allied services provided by investment banking.
(or) **CO1: K3**
- b) Explain the key factor affecting the investment banking environment in India. **CO1: K2**
- a) Differentiate Corporate Value and Investment Value
(or) **CO2: K3**
- b) Explain the concept and types of financial forecasting **CO2: K3**

9. a) Explain the motives behind corporate restructuring. **CO3: K4**
(or)
9.b) Discuss different types of corporate restructuring. **CO3: K3**

Part C **3 x 12 = 36**
Answer ALL questions
Each answer should not exceed 800 words or four pages

10. a) Explain the characteristics and evolution of Investment banking. **CO1: K4**
(or)
10. b) Enumerate the regulatory framework for Investment Banking in India. **CO1: K4**
11. a) Narrate the drivers for value creation in business valuation. **CO2: K3**
(or)
11.b) Explain pros, cons and steps involved in Asset Based Valuation Model. **CO2: K2**
12. a) Briefly discuss the need and scope of Corporate Restructuring. **CO2: K3**
(or)
12.b) Discuss about split-up through Transfer of Assets and Split-up through Transfer of Dilution of Ownership/Control. **CO3: K3**

Staff In-charge
Dr.S.Sangamithra
No. of. Copies: 15