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PRESIDENCY UNIVERSITY

BENGALURU

End Term Examinations - December 2025

Date: 07-01-2026

Time: 09:30am - 12:30pm

School: SOM-PG	Program: MBA	
Course Code: MBA3006	Course Name: Financial Markets and Services	
Semester: III	Max Marks:100	Weightage:50%

CO - Levels	C01	C02	C03	C04	C05
Marks			30	40	30

Instructions:

- (i) Read all questions carefully and answer accordingly.
- (ii) Do not write anything on the question paper other than roll number.

Part- A

Answer ALL the Questions. Each question carries 3 marks.

10 Q x 3M=30 Marks

1	Explain the advantages and disadvantages of Debt Financing	3 Marks	L2	C03
2	Set out the listing specific criteria for Initial Public Offer	3 Marks	L2	C03
3	What are the key characteristics of a Main Board IPO?	3 Marks	L2	C03
4	What is a Follow- on Public Offer and how does it work? What are the types of Follow - on Public Offer	3 Marks	L2	C03
5	What is a Rights Issue and what is the procedure for a Rights Issue	3 Marks	L2	C03
6	What are the Investor Criteria for an IPO	3 Marks	L2	C03
7	Name the restrictive covenants for a Term Loan	3 Marks	L3	C03
8	Why do companies choose Straight Debt or Equity	3 Marks	L3	C03
9	How do the various offering of finance compare	3 Marks	L3	C04
10	Describe the eligibility criteria for coming out with an IPO	3 Marks	L4	C04

Part- B

Answer any four Questions

4Qx10M = 40 Marks

11	Best Choice company wants to get a Term Loan? for the purchase of machinery. What are the features of this Term Loan, what is the security that they will have to offer for this loan? What are the institutions that will offer Best Choice Company this Term Loan and how will the interest and principal be repaid?	10 Marks	L3	C04
Or				
12	XYZ Ltd wants a working capital Loan to run their day to day operations. What kind of WC loans are available and what are the key features of each of these types of loans?	10 Marks	L3	C04
Or				
13	What is SEBI? When was it established and what are the functions and powers of SEBI?	10 Marks	L3	C04
Or				
14	Mr Anand wants to invest in Govt Securities. Please educate him by explaining what are Govt Securities, what are their key characteristics, the advantages and limitations of Govt Securities	10 Marks	L3	C04
Or				
15	Describe a Book Building Process with an example	10 Marks	L4	C05
Or				
16	How is the cut off price determined in a Book Building Process and how is it calculated. Explain with an example	10 Marks	L4	C05
Or				
17	Enumerate the mandatory and optional operators in a New Issue	10 Marks	L4	C04
Or				
18	Explain the meaning of a Stock Exchange, how do stock exchanges work and the key functions of a stock exchange	10 Marks	L4	C05

Part- C

Answer the following questions

2Qx15M=30Marks

19	Consider you invest in 700GS2027 (7% with a maturity of 2027 or 2 years from now) at a discount price of Rs 98.4. Assume you invest in 150 such Bonds. Calculate the total amount invested, the amount you will receive on maturity and the interest that you will earn	15 Marks	L3	C05
20	Describe in detail impact cost, the formula and example of Impact Cost and the relationship between market depth and impact Cost	15 Markss	L5	C05