Name: **Enrolment No:**	UPES

UNIVERSITY OF PETROLEUM AND ENERGY STUDIES
End Semester Examination, May 2019

Course: Corporate Finance & Investment Regulations **Semester: VIII**
Programme: BBA LL.B (Corporate Laws) **Max. Marks: 100**
Course Code: LLBL 453 **Time: 03 hrs.**

SECTION A
(Attempt Any 5)
(2X 5 = 10 marks)

S. No.		Marks	CO
Q 1.	Standardized forward contracts may be called as ___________________	**2**	**CO1**
Q 2.	Three participants in the derivative markets are ________________, _______________ & ________________	**2**	**CO2**
Q 3.	SEBI has been constituted under ____________________ Act of _______	**2**	**CO3**
Q 4.	Investment on repatriation basis means ______________________________________	**2**	**CO3**
Q 5.	‘Bird-in-hand’ argument is given by a) Walter’s Model b) Gordon’s Model c) MM Model d) Residuals Theory	**2**	**CO2**
Q 6.	Sensex is an index of _____________ and NIFTY 50 is an index of ______________	**2**	**CO2**

SECTION B (20 marks)
(Attempt any four)
(5X 4= 20 marks)

S. No.		Marks	CO
Q 7.	What are the types of Preference shares that a company may issue?	**5**	**CO3**
Q 8.	Explain the CAPM approach to valuation of equity shares.	**5**	**CO5**
Q 9.	Distinguish between Operating Leverage and Financing Leverage. How the two leverages can be measured?	**5**	**CO3**
Q 10.	Differentiate between investment and speculations. What are risks in investment as well as speculations?	**5**	**CO3**
Q 11.	What are annuities and why such values are calculated?	**5**	**CO3**

SECTION-C
(Attempt any two)
(10x 2= 20 marks)

Q 12.	What is the need of securities legislations? How the trading of securities are regulated? Has it been successful in protecting the interests of the investors?	**10**	**CO1**
Q 13.	Explain the Indian regulatory framework on mergers, acquisition & financial reconstruction.	**10**	**CO3**
Q 14.	Discuss the role of investment adviser in the capital market.	**10**	**CO4**
SECTION-D (Attempt All)			
Q 15.	According to Department for Promotion of Industry and Internal Trade (DPIIT), the total FDI investments in India April-December 2018 stood at US$ 33.49 billion, indicating that government's effort to improve ease of doing business and relaxation in FDI norms is yielding results. During April-December 2018, India received the maximum FDI equity inflows from Singapore (US$ 12.98 billion), followed by Mauritius (US$ 6.02 billion), Netherlands (US$ 2.95 billion), USA (US$ 2.34 billion), and Japan (US$ 2.21 billion). One of the significant FDI announcement is, Bharti Airtel received approval of the Government of India for sale of 20 per cent stake in its DTH arm to an America based private equity firm, Warburg Pincus, for around $350 million in August 2018. a) Explain how an Indian Company receive foreign investment? b) Under which sectors foreign investments are prohibited? c) The government has taken many initiatives in recent years such as relaxing FDI norms across various sectors. State the changes brought by new FDI policy in any 5 sectors.	**15**	**CO1**
Q 16.	*"Company raise funds from the financial markets, which facilitate the buying and selling of securities, such as shares & bonds, in India as well as overseas."* Write a short notes on: a) Participatory notes b) Masala Bond c) Mutual Funds	**15**	**CO3**
Q 17.	*"The world in 2019 is still reckoning with the legacy of the global financial crisis, which is hardly surprising given its scale and lasting impact."* a) Are we safer than we were in 2008? What will be implications on Asian countries? b) Critically analyse the role of regulators in US Economic crisis of 2008, aptly presented by the movie Inside Job 2010.	**20**	**CO1**

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SECTION A
(Attempt Any five)
(2X 5= 10 marks)

S. No.		Marks	CO
Q 1.	Opportunity cost is ____	**2**	**CO3**
Q 2.	The higher the risk of project, higher must be the discount rate. (True/ False)	**2**	**CO1**
Q 3.	'Bird-in-hand' argument is given by ___________________________	**2**	**CO2**
Q 4.	Invest in projects that yield a return __________ than the minimum acceptable ______________	**2**	**CO3**
Q 5.	NIFTY 50 is an index of ____________ and Sensex is an index of ___________	**2**	**CO2**
Q 6.	Investment on repatriation basis means ________________________________	**2**	**CO3**

SECTION B
(Attempt any four)
(5X 4= 20 marks)

S. No.		Marks	CO
Q 7.	Define IPO and its advantages.	**5**	**CO3**
Q 8.	Between marginal cost of capital and WACC which one is a better discount rate and why?	**5**	**CO5**
Q 9.	What are the assumptions that the Black Scholes model makes to arrive at the price of a call option?	**5**	**CO3**
Q 10.	Explain working capital and it's various sources of working capital?	**5**	**CO3**
Q 11.	What do you understand by future value and present value of money?	**5**	**CO3**

SECTION-C
(Attempt any two)
(2X 10= 20 marks)

S. No.		Marks	CO
Q 12.	Explain different sources of finance.	**10**	**CO1**
Q 13.	Discuss the legal framework regulating mergers, acquisition & financial reconstruction in India.	**10**	**CO3**

Q 14.	Indian firm needs funds for its US operations. The firm raises funds in Indian rupees and commits to serve the interest obligation and the final repayment in Indian rupees. The funds raised in rupees are converted in US $ to acquire assets in USA. These assets provide income in US $. The Indian firm is facing a risk of appreciation of rupee. Discuss the elements of risk that an Indian firm will face. Suggest the solution to eliminate the risk with the help of any example.	**10**	**CO3**
SECTION-D (Attempt All)			
Q 15.	Reliance Industries Ltd. (RIL) has entered into a contract with a French firm to import a machine for 2 crore French franc. As per the contract, RIL (importing firm) is required to make the payment to French firm (exporting firm) in French francs. RIL will need French francs to honour its payment obligation for which it will approach a commercial bank dealing in the foreign exchange market to purchase French francs by exchanging Indian rupees (INR). a) Discuss the Foreign exchange regime in India. b) Discuss the role of investment adviser in foreign exchange transaction.	**15**	**CO3**
Q 16.	*"Company raise funds from the financial markets, which facilitate the buying and selling of securities, such as shares & bonds, in India as well as overseas*." a) What is the need of securities legislations? b) How the trading of securities are regulated? c) Has it been successful in protecting the interests of the investors?	**15**	**CO1**
Q 17.	The global financial crisis that began in August 2007 and reached full force in 2008 resulted from a massive, unavoidable cognitive mistake on the part of regulators and bankers. Critically analyse the role of regulators in the US Economic crisis 2008, aptly presented in the movie Inside Job 2010 and compare it with the upcoming financial crisis of 2019.	**20**	**CO1**