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| Name: Enrolment No: | |
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UPES
End Semester Examination, December 2023

Course: Capital Raising Strategies in Corporations
Program: INT-BBA-MBA
Course Code: FINC 3066

Semester: V
Time: 03 hrs.
Max. Marks: 100

SECTION A
10Qx2M=20Marks

| S. No. | | Marks | CO |
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| Q1 | The claims by preferred shareholders on a firm's assets and income come _____ those of ordinary shareholders and _____ those of creditors. a. Before; also before b. After; after c. Before; after d. After; before | 2 | CO1 |
| Q2 | Debenture holders are a. Debtors of the Company b. Creditors of the Company c. External users d. Owners of the Company | 2 | CO1 |
| Q3 | Debentures indicate the a. Short-term Borrowings of a Company b. Directors' shares in a company c. The Investment of Equity-Shareholders d. Long-term Borrowings of a Company | 2 | CO1 |
| Q4 | The owner of the debenture is qualified for a. Fixed-rate interest b. Company's voting rights c. Firm's Profits share d. Fixed dividend | 2 | CO1 |

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| Q5 | Which of the following is/are the source(s) of short term finance? a. Trade credit b. Overdraft facility c. Cash credit d. All of the above | 2 | CO1 |
| Q6 | A treasury bill is basically a. An instrument to borrow short-term funds b. An instrument to borrow long-term funds c. An instrument of the capital market d. None of the above | 2 | CO1 |
| Q7. | Equity shareholders are called a. Owners of the company b. Partners of the company c. Executives of the company d. Guardian of the company | 2 | CO1 |
| Q8. | Under the factoring arrangement, the factor a. Produces and distributes the goods or services b. Makes the payment on behalf of the client c. Collects the client's debt or account receivables d. Transfer the goods from one place to another | 2 | CO1 |
| Q9. | The maturity period of a commercial paper usually ranges from a. 20 to 40 days b. 60 to 90 days c. 120 to 365 days d. 90 to 364 days | 2 | CO1 |
| Q10. | Internal sources of capital are those that are a. Generated through outsiders such as suppliers b. Generated through loans from commercial banks c. Generated through issue of shares d. Generated within the business | 2 | CO1 |
| SECTION B 4Qx5M= 20 Marks Attempt any 4 questions | | | |
| Q11 | Who is the registrar of companies? What is his role in an IPO process? | 5 | CO2 |

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| Q12 | What is a promissory note? Explain briefly. | 5 | CO2 |
| Q13 | What is the difference between cash credit and loan? Explain. | 5 | CO2 |
| Q14 | Under which situation should a company opt for factoring services? Also name some factoring service providers in India. | 5 | CO2 |
| Q15 | What is a fixed price offer in IPO? | 5 | CO2 |
| SECTION-C 3Qx10M=30 Marks | | | |
| Q16 | Discuss the sources from which an MSME (Micro, small or medium enterprise) unit can raise capital for financing the working capital requirements | 10 | CO3 |
| Q17 | What do you mean by Vulture financing? At what stage does a company opt for this kind of financing? Explain with the help of an example of a company that has opted for Vulture financing in the recent past. | 10 | CO3 |
| Q18 | Explain the concept of reverse factoring. Give examples of reverse factoring products offered by Indian banks/NBFCs. | 10 | CO3 |

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| Q19 | How secondary debt markets are different from primary debt markets? Explain with the help of example. | 10 | CO3 |
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SECTION-D
2Qx15M= 30 Marks
Attempt any 2
questions

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| Q20 | <p>Rohan has been successfully running the business of manufacturing automobile spare parts in Faridabad for the last 10 years. The company has a customer base comprising some prominent automobile manufacturers all over the country. Now Rohan is thinking about expanding its business operations in 3-4 other cities.</p> <p>1) Name the sources of finance that Rohan should use to expand his business. Explain in detail.</p> <p>2) Explain the factors he should keep in mind while taking this decision.</p> | 15 | CO4 |
| Q21 | <p>Discuss a successful IPO of the recent times. Describe its details and explain the reason for its success.</p> | 15 | CO4 |
| Q22 | <p>Hindustan Unilever Ltd. sources its raw material (for manufacturing shampoos) from Sri Lanka. Due to the cheap labor and the availability of certain natural resources, the raw material is available at very cheap prices in Sri Lanka. But recently the economic conditions of the country have started deteriorating and the suppliers of HUL are suffering from financial constraints which is eventually affecting the operations of the company due to which they are not able to supply the raw material on time. The CEO of HUL is discussing this matter with its managers in a meeting. Some of the managers are suggesting finding new suppliers. If you are one of the managers attending the meeting, what would be your advice to the CEO. Describe and justify.</p> | 15 | CO4 |