VPM's Dr. VN BRIMS, Thane Programme: PGDM (2016-18) PGDM Trimester VI Examination April 2018

Subject	Investment Banking		
Roll No.		Marks	60 Marks
Total No. of Questions	10	Duration	2.5 Hours
Total No. of printed pages	2	Date	06.04.2018

Solve any 6 questions out of 10 questions.

- Q 1. According to studies, spin-offs have created superior value across market cycles, capitalisation ranges and sectors. Elaborate the reasons for it? (10Marks)
- Q 2. What is Corporate Debt Restructuring? What are the Objectives and needs of Corporate Debt Restructuring? (10 Marks)
- Q 3. Elaborate the types of Corporate Debt Restructuring? (10 Marks)
- Q 4. Elaborate the Checklist developed by Joel Greenblatt which can be used to screen for profitable spin-offs. (10 Marks)
- Q 5. Cash Flows associated with Project MVC are given below

Year	Cash Flow
0	-500000
1	350000
2	70000
3	700000

WACC for the Project is 10%.

Calculate the Net Present Value (NPV) for the Project. Do you think, the company should go for the project. (10 Marks)

Q6 A. Calculate the Payback Period for the above project MVC. (5 Marks)

- B. The IRR for the project MVC is: (5 Marks)
 - a) Can't say.
 - b) 10%
 - c) More than 10%

Q 7. Explain the Concept of Leverage Buyout in your own words. Build a simple example using your own data. (10 Marks)

Q. 8 Given below are financials of Repros Corporation

Balance Sheet		
Capital (1,000 Shares with		
Rs.10)		
Reserves		
Equity (Total Shareholder		
- ·		
	1	

Profit & Loss			
Sales			
Less: COGS			
Gross Profit			

Cash Flow Statement	
Cash Flow from Oper	
Net Profit	

Calculate the following ratios for Repros Corporation: (10 Marks)

- a) RoE (Using Du-Pont Formula) (4 Marks)
- b) RoCE (4 Marks)
- c) Gross Profit Margin. (2 Marks)

Q 9 Prepare a vertical Common Size P&L statement for Repros Corporation for 2016(10 Marks) Q 10 Prepare a vertical Common Size Balance Sheet for Repros Corporation for 2016(10 Marks)