

Enrollment No./Seat No.:

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA - SEMESTER - II EXAMINATION - SUMMER 2025

Subject Code: MB02095021

Date: 30-05-2025

Subject Name: Financial Markets and Services

Time: 10:30 AM TO 01:30 PM

Total Marks: 70

Instructions

- 1. Attempt all questions.**
- 2. Make suitable assumptions wherever necessary.**
- 3. Figures to the right indicate full marks.**
- 4. USE of SIMPLE calculators AND non-programmable scientific calculators are permitted.**

	Marks
Q.1 ALL 7 Questions must be Compulsory.	14
(a) QIBs	
(b) Stock Broker	
(c) AMFI	
(d) Hire Purchase	
(e) Sovereign Rating	
(f) NAV	
(g) Reverse Mortgage	
Q.2 (a) What is a financial system? Discuss the components of a formal financial system.	07
(b) Compare certificate of deposits and commercial papers?	07
OR	
(b) What is international factoring? How does it differ from forfaiting? Explain the mechanism of international factoring	07
Q.3 (a) Discuss the benefits of securitization to various stakeholders and also point out the limitations.	07
(b) Describe the credit rating process adopted by a rating agency. Support your answer with the case of one of the recognized agencies in India	07
OR	
(a) Explain the term 'venture capital' and distinguish it with private equity and angel investing	07
(b) Discuss briefly the role of two depositories in India. To what extent these two institutions have grown in India.	07
Q.4 (a) Define the term mutual fund. Describe the classification of mutual fund schemes based on different criteria.	07
(b) Explain cryptocurrency and also mention risks involved with cryptocurrency.	07

OR

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| (a) | What is crowdfunding? Explain the types of crowdfunding | 07 |
| (b) | What are the features of Mutual funds? Compare the characteristics of a mutual fund investment with a bank deposit. | 07 |

Q.5

CarDekho IPO

Amit Jain and Anurag Jain launched CarDekho, an app-based vehicle listing platform, in 2008. The business also manages the financing website Rupy and the insurance platform InsuranceDekho. CarDekho, which competes with CarTrade, Spinny, and Cars24, has raised more than \$692 million in funding to date. The business raised \$250 million in a combination of primary and secondary capital in 2021, when its valuation was last estimated at \$1.2 billion.

For the fiscal year 2022-2023 (FY23), CarDekho Group recorded operating revenue of INR 2,331 crore, increasing 1.5 times from INR 1,600 crore in the prior fiscal year. Nonetheless, losses in FY22 rose slightly to INR 562 crore from INR 535 crore.

The company is in advanced talks to choose merchant bankers for its planned IPO, which is expected to take place early next year. The business wants to fund close to \$500 million, or roughly INR 4,100 crore and intends to file its draft red herring prospectus (DRHP) in March 2025. A key component of the IPO is anticipated, with a valuation goal of \$2 billion to \$2.5 billion.

The net revenues from the IPO will be put towards CarDekho's planned acquisitions to broaden its service offering, as well as its further geographic and category expansion. A portion of the holdings held by early investors, such as Peak XV, Google Capital, and Hillhouse Capital, will be sold during the offer for sale (OFS) portion of the IPO.

With an estimated worth of \$2 billion to \$2.5 billion, the IPO would almost double its prior valuation. CarDekho has contemplated going public before; in 2021, the business discussed an IPO, but it never happened.

In light of the above information, answer the following questions:

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| (a) | For CarDekho, what are the pros and cons of coming up with an IPO? | 07 |
| (b) | Discuss what information is required to draft the prospectus for an IPO? | 07 |

OR

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|------------|---|-----------|
| (a) | Discuss the pre and post issue obligations of Merchant Bankers in an IPO? | 07 |
| (b) | Explain the framework of Book Building in IPO? | 07 |
