



GUJARAT TECHNOLOGICAL UNIVERSITY

Programme: MBA (International Business)

Semester: 3

Branch: International Business

Subject Name: Investment Banking

Subject Code: 2539321

Rationale:

Investment Banking has emerged as a viable career option for people interested in banking and finance. Investment banks from both India and abroad attract finance students in large numbers. With the introduction of FDI, more and more overseas companies are now making their infiltration into the Indian market. Investment Banking usually involves banks offering underwriting services to governments, corporations and other industrial and financial institutions. Hence, it is precondition to understand the basics of all investment banking as student of finance in international business.

Course Scheme:

Teaching Scheme			Credits	Examination Marks				Total Marks
L	T	P		Theory		Practical		
			C	ESE (E)	PA(M)	ESE (V)	PA (I)	
4	0	0	4	70	30	0	50	150

Course Outcomes:

Sr. No.	Course Outcomes
CO1	To acknowledge the fundamentals of Investment Banking
CO2	To understand various concepts for Investment Banking
CO3	To understand techniques and skills involved in market making, equity and fixed income underwriting, proprietary trading, mergers and acquisition advisory services
CO4	To Understand the critical evaluation and application of Investment Banking and valuation concepts and also ensures practical application of same through Financial modelling exercise.

Course Content:

Unit No.	Content	No. of Hours	Marks
1	Overview of Investment Banking: <ul style="list-style-type: none"> Investment Banking, Investment Banker and Core activities of Investment Banker Principal Businesses of Investment Banks Difference between Merchant Banking, Investment Banking and Commercial Banking Post crisis Global Investment Banking Firms and other Investment Banking Firms Regulatory Framework for Investment Banking in India / across globe 	08	14
2	Issue Management: <ul style="list-style-type: none"> New Capital issue management- Pre and Post issue activities Listing Guidelines –IPOs 	12	21



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	<ul style="list-style-type: none"> Pricing of public issues, Underwriting, brokerage, Registrar, Share transfer agents Publicly traded Markets: Secondary trading market, stock exchanges, Market Indices, Liquidity volatility issues, Fundamentals of technical Analysis – private Equity/ venture Capital and Direct Investment, Essential difference between stocks/equity and bonds/credit markets, Fixed income/bond markets, Corporate credits and impacts on bond markets, interest rates, yields and credit pricing spreads, Investment grade vs. noninvestment grade (High Yield/Junk bonds) Fundamentals of the working of Credit markets, Convertible bonds and Asset backed securities- Trading, Positioning underwriting and distribution Credit Rating Agencies, Clearing and Settlement 		
3	Investment Process: <ul style="list-style-type: none"> Methods/Sources of funding/Investor decision making, Credit Borrowing Vs. Issue Equity Analysis of Funding options: Bank borrowing, cross currency, private placements, private equity, Public Stock/bond market, High Yield market, Floating rate vs. fixed rate borrowing, equity vs. convertible securities Disinvestments mechanisms 	08	14
4	Valuation :Discounted Cash Flow Analysis LBO and Merger and Acquisition <ul style="list-style-type: none"> Discounted Cash Flow Analysis: Identifying key performance Drivers, WACC (Weighted Average Cost of Capital), Terminal value, Sensitivity analysis to determine valuation LBO: Characteristics, Economics of LBO, Determining LBO financing structure M&A: Sale side and buy side, Merger Consequences Analysis for the Buyer co/ Value Co transaction 	12	21

Suggested Specification Table For Question Paper Design:

Unit No.	Unit Title	Teaching Hours	Distribution of Theory Marks (Assessment as per Revised Bloom's Taxonomy Level*)						Total Marks
			RM	UN	AP	AN	EL	CR	
I	Module-1	8	7	7	0	0	0	0	14
II	Module-2	12	4	4	13	0	0	0	21
III	Module-3	8	7	7	0	0	0	0	14
IV	Module-4	12	0	2	7	12	0	0	21
	Total	40	18	20	20	12			70

***RM: Remember, UN: Understand, AP: Apply, AN: Analyze, EL: Evaluate, CR: Create**

Note: This specification table provides general guidelines to assist student for their learning and to teachers to teach and question paper designers/setters to formulate test items/questions to assess the



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attainment of the UOs. The actual distribution of marks at different taxonomy levels in the question paper may slightly vary from above table.

Suggested Student Activities for Progressive Assessment (PA) : (50 Marks)

The evaluation of participants will be on continuous basis comprising of the following Elements:

A	Projects/ Assignment/ Quizzes/ Class participation etc.	Weightage 50 Marks (Assessment of CEC)
B	Internal Examination (Mid-Semester Examination)	Weightage 30 Marks (Internal Assessment)
C	End – Semester Examination (University Examination)	Weightage 70 Marks (External Assessment)

Evaluation:

Students shall be evaluated on the following components:

Internal Evaluation	(Internal Assessment- 50 Marks)
• Public Presentation on Analyzing the Performance Evaluation of Listed Companies of different sectors	30 marks
• Class Presence & Participation	10 marks
• Quiz & Assignments	10 marks

Suggested Learning Resources:

S. No.	Title of Book	Author	Publication with place, year and ISBN
1	Investment Banking	Joshua Rosenbaum, Joshua Pearl, Joseph R. Perella, Joshua Harris	Wiley Publications
2	Investment Banks, Hedge Funds, and Private Equity	David P. Stowell	Elsevier
3	Merchant Banking : Organization and Management	J.C.Verma	TATA McGraw Hill
4	Investment Banking	Pratap G Subramanyam	TATA McGraw Hill
5	Investment Banking	Ranjan Rakesh	Wiley Publications
6	SEBI Guidelines		Taxman's Publications

List of Journals / Periodicals / Magazines / Newspapers / Web resources, etc.

- Journal of Finance
- Journal of Finance and Economics
- Journal of Banking and Finance
- <https://www.rbi.org.in/>
- <https://www.sebi.gov.in/>
- <https://www.sec.gov>