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## BRAINWARE UNIVERSITY

Term End Examination 2024-2025

Programme – MBA-2023

Course Name – Mergers, Acquisitions and Corporate Restructuring

Course Code - FM401

( Semester IV )

Full Marks : 60

Time : 2:30 Hours

[The figure in the margin indicates full marks. Candidates are required to give their answers in their own words as far as practicable.]

### Group-A

(Multiple Choice Type Question)

1 x 15=15

1. Choose the correct alternative from the following :

- (i) Identify the objectives of Mergers and Acquisition.
- a) To create a more cost - efficient operation.      b) To expand a firm's geographic coverage.  
c) To extend a firm's business into new      d) All of these.  
product categories or international markets
- (ii) \_\_\_\_\_ means changing the structure of an organization such as reducing the hierarchical levels. Select the correct answer.
- a) Financial Restructuring      b) Organizational Restructuring  
c) Corporate Restructuring      d) All of the above
- (iii) \_\_\_\_\_ means the action of an organization or government selling or liquidating an asset or subsidiary. Select the correct answer.
- a) Merger      b) Joint Venture  
c) Takeover      d) Disinvestment
- (iv) \_\_\_\_\_ may be defined as an arrangement where one party grants another party the right to use trade name. Select the correct answer.
- a) Alliance      b) Franchising  
c) Slump sale      d) Joint Venture
- (v) Under \_\_\_\_\_ Strategy, the target company attempts to purchase the shares of the raider company. Identify the correct answer.
- a) The Crown Jewel      b) The Packman Defence  
c) Golden Parachutes      d) Buyback
- (vi) The divestiture of major operating unit most conveted by the bidder- commonly known as the \_\_\_\_\_. Identify the correct answer.
- a) Poison Pill      b) Crown Jewel  
c) Packman      d) Golden Parachutes
- (vii) \_\_\_\_\_ helps to widen the growth opportunities for the company. Identify the correct answer.

- a) Synergies  
c) Disinvestment
- b) Tax Advantage  
d) Diversification
- (viii) \_\_\_\_\_ takeover is the takeover which is affected with the consent of target's company executives and management. Indicate the correct answer.
- a) Hostile  
c) Compulsory
- b) Friendly  
d) Cross Border
- (ix) \_\_\_\_\_ are commercial loans raised by eligible resident entities from reorganized nonresident entities. Complete the sentence.
- a) External commercial borrowings  
c) Treasury bills
- b) Commercial bills  
d) Credit note
- (x) When sick industries gets merged with healthy units with financial package is termed as \_\_\_\_\_. Complete the sentence.
- a) Financial rehabilitation  
c) ECBs
- b) LBO  
d) Corporate finance
- (xi) One means for a company to go private is \_\_\_\_\_. Select the correct answer.
- a) Divestiture  
c) LBO
- b) The pure play  
d) The prepacked reorganisation
- (xii) The distribution of shares in a subsidiary to existing parent company's stockholder is called \_\_\_\_\_. Choose the correct answer.
- a) Spin off  
c) Counter tender offer
- b) Equity carve out  
d) Lockup transaction
- (xiii) If Microsoft were to acquire U.S.Airways, the acquisition would be classified as \_\_\_\_\_ acquisition. Choose the correct answer.
- a) Horizontal  
c) Vertical
- b) Conglomerate  
d) Market extension
- (xiv) Takeover refers to \_\_\_\_\_. Select the correct answer.
- a) A merger of two companies into one  
c) A strategic alliance between two competitors
- b) An acquisition of a controlling interest in a company by another company  
d) A partnership formed for a specific project
- (xv) Select the strategy that involves the target company making its stock less attractive to the acquirer during a takeover attempt.
- a) White knight  
c) Greenmail
- b) Poison pill  
d) Crown jewel

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#### Group-B

(Short Answer Type Questions)

3 x 5=15

2. Explain the term 'Corporate Restructuring'. (3)
3. Explain the significance of 'Cash offer'. (3)
4. Explain the concept of White Knight. (3)
5. Define 'Acquisition'. (3)
6. Evaluate any two Takeover strategies. (3)
- OR
- Judge the significance of 'management buyout'. (3)

#### Group-C

(Long Answer Type Questions)

5 x 6=30

7. State the different forms of Merger. (5)
8. 'Corporate Restructuring' is a new concept of 'Shareholder Value Generation'. Illustrate your views. (5)
9. Explain the operating Synergies from Merger and Acquisition. (5)
10. Illustrate the principles of Valuation. (5)
11. Analyze the functioning of Competition Commission of India. (5)
12. Distinguish between merger, demerger, and slump sale. (5)

OR

Distinguish between the pooling of interest and purchase methods of accounting for mergers. (5)

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