



## **BRAINWARE UNIVERSITY**

Brainware University 398, Ramkrishnapur Road, Barasat Kolkata, West Bengal-700125

## Term End Examination 2023 Programme – MBA-2019/MBA-2020/MBA-2021 Course Name – Mergers, Acquisitions and Corporate Restructuring Course Code - FM401 ( Semester IV )

		Time: 2:30 Hours ull marks. Candidates are required to give their answers in their on words as far as practicable.]		
		Group-A		
	·	ultiple Choice Type Question) 1 x 15=15		
1.	Choose the correct alternative fro	m the following :		
(i)	A popular defence mechanism ag	gainst hostile takeover bids is the creation of securities orrect answer.		
	a) Golden Parachutes	b) The Packman Defence		
	c) Poison Pills	d) The Crown Jewel		
(ii)		d subsidiary via an IPO is referred as Choose		
	a) Split up	b) Equity carve out		
	c) Counter tender offer	d) Lockup transaction		
(iii)	A merger in which an entirely nev	w firm is created and both the acquired and acquiring		
	firm cease to exist is called Select the correct alternative			
	a) Merger	b) Consolidation		
	c) Spin off	d) divestiture		
(iv)		repurchase shares of its outstanding stock from an to eliminate a potential unfriendly takeover is called ernative		
	a) Golden parachute	b) Standstill payment		
	c) Greenmail	d) Poison pill		
(v)		an enterprise is formed with participation in the		
		ent of minimum of two parties. Choose the correct		
	a) Joint Venture	b) Takeover		
	c) Franchising	d) Demerger		
(vi)		iness firm who are engaged in unrelated business.		
	a) horizontal	b) Vertical		
	c) Conglomerate	d) Market extension		

business firm. Complete the sentence.	int change in the financial structure of	rtne
a) Financial Restructuring	b) Financial Planning	
c) Financial Management	d) Financial Services	
(viii) A is the acquisition of a company o the substantial portion of borrowed funds.	or division of another company, financ	ed with
a) Leveraged buyout	b) Rehabilitation finance	
c) Corporate finance	d) Institutional finance	
(ix) Select the correct option that states the processing to form one single company		s
a) Merger	b) Acquisition.	
c) Demerger	<li>d) None of the above.</li>	
(x) Identify the objectives of Mergers and Acq	juisition	
a) To create a more cost - efficient opera o	n. b) To expand a firm's geographic co	overage.
c) To extend a firm's business into new	d)	
product categories or international markets	All of these.	
(xi)means an acquirer takes over the c correct answer.	control of the target company. Select t	he
a) Joint Venture	b) Takeover	
c) Disinvestment	d) Demerger	
(xii) Every buyback shall be completed within a board or special resulation. Select the corre		sing of
a) One year	b) Six months	
c) Three months	d) One month	
(xiii) Shares to be bought back must be	. Select the correct alternative.	
a) fully paid up	b) Unpaid shares	
c) Forfeited shares.  (xiv) The purchase of the business of an enterpr  Identify the correct answer.	d) Preference shares rise by another enterprise is known as	
a) Merger	b) Acquisition	
c) Buyout	d) Disinvestment	
(xv) takeovers are substantial ac company not being a sick industrial company	equisition of shares in a financially wea ny. Identify the correct answer.	ık
a) Bailout	b) Partial	
c) Resistance	d) Hostile	
	Group-B er Type Questions)	
	er type Questions;	3 x 5=1
2. Explain the significance of 'Cash offer'.		(3)
3. Explain 'share exchange ratio'.		(3)
4. Explain the meaning of Buyback of shares		(3)
5. Define 'Synergy'.		(3)
6. Summarize the use of 'Hostile Takeovers'.		(3)
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, Ramkrishnapur Road, Barasat	ge 2 of 3	

(3)

	Group-C
(L	ong Answer Type Questi

Answer Type Questions) 5 x 6=30

7. State the different forms of Merger.

(5)

8. Explain the different types of Due Diligence.

(5)

9. Illustrate Cross Shop Method.

(5)

10. Justify how SWOT analysis affects the merger & acquisition decision?

(5)

11. Mohan Ltd is planning for a possible acquisition of Naren Ltd by way of merger. The following data is available in this regard.

(5)

Companies	Earning after Tax (Rs.)	Market Price per Share (Rs.)	No. of Equity Shares	
Mohan Ltd 10,00,000		75	2,00,000	
Naren Ltd	3,00,000	60	50,000	

If the merger occurs by way of exchange of equity shares and the exchange ratio is set according to the current market prices, calculate the new Earning Per Share for Mohan Ltd.

12. Summarize	the pros and cons of takeover.	
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(5)

OR

Summarize the objectives of Competition Commission of India (CCI)

(5)

1:1

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