



BRAINWARE UNIVERSITY

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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)

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) A popular defence mechanism against hostile takeover bids is the creation of securities called _____. Indicate the correct answer.
- | | |
|----------------------|------------------------|
| a) Golden Parachutes | b) The Packman Defence |
| c) Poison Pills | d) The Crown Jewel |
- (ii) The sale of stock in wholly owned subsidiary via an IPO is referred as _____. Choose the correct answer.
- | | |
|-------------------------|-----------------------|
| a) Split up | b) Equity carve out |
| c) Counter tender offer | d) Lockup transaction |
- (iii) A merger in which an entirely new 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) The payments made by a firm to repurchase shares of its outstanding stock from an individual investors in an attempt to eliminate a potential unfriendly takeover is called as _____. Select the correct alternative
- | | |
|---------------------|-----------------------|
| a) Golden parachute | b) Standstill payment |
| c) Greenmail | d) Poison pill |
- (v) _____ is a venture in which an enterprise is formed with participation in the ownership, control and management of minimum of two parties. Choose the correct answer.
- | | |
|------------------|-------------|
| a) Joint Venture | b) Takeover |
| c) Franchising | d) Demerger |
- (vi) A _____ is a merger of business firm who are engaged in unrelated business. Complete the sentence.
- | | |
|-----------------|---------------------|
| a) horizontal | b) Vertical |
| c) Conglomerate | d) Market extension |

OR

Judge the significance of 'divestiture'.

(3)

Group-C

(Long 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. (5)

OR

Summarize the objectives of Competition Commission of India (CCI)

(5)

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