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BRAINWARE UNIVERSITY

Term End Examination 2025-2026
Programme – M.Com.(BFA)-2025
Course Name – Risks Management, Mergers and Acquisitions
Course Code - MCM27503 (T)
(Semester II)

Full Marks : 40 **Time : 2:0 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 10=10

1. *Choose the correct alternative from the following :*

(i) Define risk in managerial decision-making.

a) Possibility of loss b) Certainty of outcome
c) Guaranteed profit d) Risk-free return

(ii) State the meaning of uncertainty in business.

a) Measurable risk b) Unpredictable outcomes
c) Insured loss d) Planned deviation

(iii) State credit risk in lending.

a) Interest volatility b) Borrower default
c) Exchange loss d) Operational error

(iv) Apply hedging using futures.

a) Increase exposure b) Reduce price risk
c) Speculate d) Eliminate market

(v) Illustrate diversification motive.

a) Risk reduction b) Profit decline
c) Cost increase d) Market exit

(vi) Distinguish takeover from merger.

a) Control transfer b) Equal authority
c) No ownership change d) Temporary alliance

(vii) Evaluate SEBI role in takeovers.

a) Investor protection b) Tax collection
c) Operational audit d) Credit rating

(viii) Formulate a takeover strategy.

a) Hostile bid b) Risk elimination
c) Cost inflation d) Employee exit

(ix) Design optimal deal structure.

298- 9

a) Risk-return balance
b) Pure debt
c) Pure equity
d) Speculation

(x) Apply PMI sequencing logic.

a) Stabilize core operations first
b) Change everything
c) Ignore people
d) Delay decisions

Group-B

(Short Answer Type Questions) 3 x 5=15

2. Define risk in the context of managerial decision-making. (3)
3. Explain interest rate risk with reference to bonds. (3)
4. Calculate control premium conceptually. (3)
5. Analyse leverage impact on merger financing. (3)
6. Design a post-merger risk mitigation strategy. (3)

OR

Design a basic change management approach during post-merger integration. (3)

Group-C

(Long Answer Type Questions) 5 x 3=15

7. Explain the importance of due diligence in acquisition decisions. (5)
8. Analyse regulatory challenges in cross-border mergers. (5)
9. Analyse the impact of leverage on merger financing. (5)

OR

Analyse the importance of valuation accuracy in merger negotiations. (5)

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