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BRAINWARE UNIVERSITY

Term End Examination 2025-2026
Programme – MBA-2024
Course Name – Mergers, Acquisitions and Corporate Restructuring
Course Code - MBA40206B
(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 a horizontal merger.

a) Merger of firms in same industry and level
b) Merger of supplier and buyer
c) Merger of unrelated businesses
d) Merger of holding and subsidiary

(ii) Identify operating synergy.

a) Tax savings due to merger
b) Reduction in cost through economies of scale
c) Increase in share price
d) Improved financial leverage

(iii) Recognize external force for M&A.

a) Desire for control
b) Corporate culture mismatch
c) Economic liberalization
d) Management inefficiency

(iv) Recognize impact of M&A on shareholders.

a) Always negative
b) Value enhancement potential
c) No financial effect
d) Loss of ownership only

(v) Distinguish joint venture from merger.

a) JV creates a new jointly owned entity
b) JV eliminates parent firms
c) JV requires court approval only
d) JV is a takeover

(vi) Identify equity carve-out.

a) Sale of entire subsidiary
b) Partial IPO of subsidiary
c) Complete liquidation
d) Debt restructuring

(vii) Identify nature of LLP in India.

a) Separate legal entity
b) Unlimited liability for partners
c) Government ownership
d) Non-commercial structure

(viii) Illustrate legal due diligence.

a) Review of contracts and compliance
b) Market analysis
c) Production efficiency study
d) Customer survey

(ix) Predict human integration challenge.

a) Cultural conflict | b) Immediate productivity gain
c) Zero employee turnover | d) No resistance to change

(x) Predict consequence of delayed integration.

a) Loss of synergy benefits | b) Improved employee morale
c) Faster value creation | d) Reduced uncertainty

(xi) Evaluate benefit of cash offer.

a) No dilution of ownership | b) Guaranteed synergy
c) No financing cost | d) No regulatory approval

(xii) Estimate impact of share exchange on EPS.

a) Always increases EPS | b) May dilute or enhance EPS
c) Has no impact on EPS | d) Eliminates EPS calculation

(xiii) Differentiate amalgamation like merger and like purchase.

a) Merger creates new company always | b) Purchase pools interests
c) Merger uses purchase method | d) Purchase records assets at fair value

(xiv) Evaluate importance of valuation in mergers.

a) Helps in determining exchange ratio | b) Avoids legal approval
c) Eliminates risk | d) Ensures monopoly

(xv) Select common market-based multiple.

a) Dividend payout ratio | b) Debt-equity ratio
c) Current ratio | d) Price–Earnings ratio

Group-B

(Short Answer Type Questions) 3 x 5=15

2. Identify managerial synergy as a motive for mergers. (3)
3. Distinguish between sell-off and spin-off. (3)
4. Examine the concept of post-merger integration. (3)
5. Distinguish between pooling of interest method and purchase method. (3)
6. Summarize the preliminary work involved in valuation. (3)

OR

Compare asset-based and earnings-based valuation. (3)

Group-C

(Long Answer Type Questions) 5 x 6=30

7. Discuss the role of strategic alliances in restructuring. (5)
8. Establish the role of leadership in successful mergers. (5)
9. Analyze risk associated with merger financing. (5)
10. Distinguish between valuation in merger and liquidation. (5)
11. Compare book value and market value in valuation. (5)
12. Analyze capital reserve in merger accounting. (5)

OR

Explain the relevance of Companies Act in amalgamation. (5)

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