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**Fourth Semester MBA Degree Examination, Dec.2016/Jan.2017
Mergers, Acquisition and Corporate Restructuring**

Time: 3 hrs.

Max. Marks:100

SECTION – A*Note : Answer any FOUR questions from Q.No.1 to Q.No.7.*

- 1 What is due diligence? (03 Marks)
- 2 What is Net asset value? (03 Marks)
- 3 What do you mean by Reverse merger? (03 Marks)
- 4 What do you mean by Poison pill? (03 Marks)
- 5 What is Synergy? (03 Marks)
- 6 What is divestiture? (03 Marks)
- 7 What is Tender offer? (03 Marks)

SECTION – B*Note : Answer any FOUR questions from Q.No.1 to Q.No.7.*

- 1 What are the motives behind merger? (07 Marks)
- 2 Write note on BCG matrix. (07 Marks)
- 3 List the four stages of product life cycle. (07 Marks)
- 4 Explain leverage Buy out. (07 Marks)
- 5 Discuss the type of equity-curve-out. (07 Marks)
- 6 Explain the types of due diligence. (07 Marks)
- 7 Explain the process of merger integration. (07 Marks)

SECTION – C*Note : Answer any FOUR questions from Q.No.1 to Q.No.7.*

- 1 Discuss various take-over defenses. (10 Marks)
- 2 Explain purchase consideration? Explain methods of its calculation. (10 Marks)
- 3 Mention the content of scheme of merger and amalgamation. (10 Marks)

Important Note : 1. On completing your answers, compulsorily draw diagonal cross lines on the remaining blank pages.
2. Any revealing of identification, appeal to evaluator and /or equations written eg. 42+8 = 50, will be treated as malpractice.

- 4 What are the stages of merger process? (10 Marks)
- 5 Discuss the methods of financial restructuring. (10 Marks)
- 6 Explain limited liability partnership. (10 Marks)
- 7 Write note on Porter's five force model. (10 Marks)

SECTION – D
(Compulsory)

- 8 X Ltd wishes to acquire Y Ltd. The financial details are as follows:

10% Debentures	100,000	100,000	Fixed Assets	600,000	250,000
Profit and Loss A/c	150,000	100,000	Current Assets	350,000	210,000
Share Premium A/c	--	10,000			
Equity shares of ₹100 each	500,000	250,000			
Preference shares	200,000	--			
	950,000	460,000		950,000	460,000

Additional information:

Annual profit available for equity shares holders after tax and preference dividend.

X Ltd – 150,000 Y Ltd – 80,000

Market price per equity share:

X Ltd – ₹ 200 Y Ltd – ₹ 250

Find out share exchange ratio based on

- i) Net Assets value 2) Earning per share 3) Market value per share.
(20 Marks)

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