



Fourth Semester MBA Degree Examination, Jan./Feb. 2023  
**Mergers, Acquisition and Corporate Restructuring**

Max. Marks:100

**Note: 1. Answer any FOUR full questions from Q.No.1 to Q.No.7.  
 2. Question No. 8 is compulsory.**

- 1 a. What do you mean by Merger and Acquisition? (03 Marks)
- b. Enumerate different types of merger with suitable example. (07 Marks)
- c. Explain the various Efficiency theories of mergers. (10 Marks)

- 2 a. Define Due-Diligence. (03 Marks)
- b. Elucidate the five stage model of mergers and acquisition. (07 Marks)
- c. Discuss the Human Resource aspects of mergers and acquisitions. Add a note on tips for successful mergers. (10 Marks)

- 3 a. What is Business Valuation? (03 Marks)
- b. Explain the various types of income based approaches to business valuation. (07 Marks)
- c. Based on the information given below, determine the exchange ratio based on net asset value:

Particulars	Firm A (Acquires)	Firm B (Target)
Fixed asset	150	100
Current assets	100	50
13% Debentures	100	40
Creditors	100	10

(10 Marks)

- 4 a. Define Amalgamation. (03 Marks)
- b. Elucidate Amalgamation in the nature of merger and purchase method. (07 Marks)
- c. Discuss the Pooling of interest method and Purchase method with suitable example. (10 Marks)

- 5 a. Define take over and name the types of take over. (03 Marks)
- b. What do you mean by CCI? Add a note on objectives of CCI 2002. (07 Marks)
- c. Explain the various anti-takeover strategies available to the firms. (10 Marks)

- 6 a. What do you mean by corporate restructuring? (03 Marks)
- b. Discuss the significance of corporate restructuring. (07 Marks)
- c. Write a note on sell off, spin off, divestitures equity carve out, and management buyout. (10 Marks)

- 7 a. Explain Limited Liability Partnership. (03 Marks)
- b. Discuss the types of Due diligence. (07 Marks)
- c. Enumerate the reasons for failure of mergers and acquisitions. (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.

- 8 XYZ Ltd. is intending to acquire ABC Ltd. by merger and the following information is available in respect of both the companies:

	XYZ Ltd.	ABC Ltd.
Number of Equity shares	5,00,000	3,00,000
Profit after tax (Rs.)	25,00,000	9,00,000
Market price per share (Rs.)	21	14

- (i) Calculate the present EPS of both companies. (05 Marks)
- (ii) If the proposed merger takes place, what would be the new EPS for XYZ Ltd? Assume that the merger takes place by exchange of equity shares and the exchange ratio is based on the current market price. (10 Marks)
- (iii) Will you recommend the merger of both the companies? Justify your answer. (05 Marks)

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