

Registration No.:

--	--	--	--	--	--	--	--	--	--

Total Number of Pages: 02

Course: MBA/MBAP
Sub_Code: 18MBA403B/18PTMBA603B

4th / 6th Semester Regular/Back Examination: 2024-25

SUBJECT: Mergers and Corporate Restructuring

BRANCH(S): BA, FM, FM&HRM, GM, HRM, IB, LSCM, MBA, MBA (M & F), MM, RM, MBA(PT)

Time: 3 Hours

Max Marks: 100

Q.Code: S197

Answer Question No.1 (Part-I) which is compulsory, any eight from Part-II and any two from Part-III.

The figures in the right hand margin indicate marks.

Part-I

Q1 Answer the following questions: (2 x 10)

- What are different types of growth strategies available for corporate?
- What is internal restructuring of companies?
- When rescue finance is needed?
- What is MBO?
- What is the concept of due diligence?
- What is employee buyout?
- What is conglomerate growth strategy?
- Mention few reasons of merger failures.
- Define dividend growth model for business valuation.
- How strategic intent leads to corporate restructuring?

Part-II

Q2 Only Focused-Short Answer Type Questions- (Answer Any Eight out of Twelve) (6 x 8)

- What is hostile takeover? What are the conditions that prevail under hostile takeover of a Company?
- What is asset divestiture? Why companies divest their assets?
- What kind of take over defense can be adopted by a corporate?
- Explain various characteristics of the corporate restructuring.
- Differentiate between downsizings and lay off strategy.
- What is reverse merger? Explain its advantages and disadvantages.
- What are the major factors considered while selecting a target company for merger?
- What is co-insurance concept and how it is useful in merger activity?
- Explain the conditions where the restructuring of management of the organizations necessary.
- What do you mean by LBO? What are the main provisions of the LBO?
- What is spin offs? How it affects the shareholders?
- What are the major post merger issues faced by Indian companies?

Part-III

Only Long Answer Type Questions (Answer Any Two out of Four)

(16 x 2)

- Q3** Explain the concept of rescue financing. Explain in detail how with the help of rescue financing a corporate can get a better execution of its merger activities. **(16)**
- Q4** a) What are the various income based valuation models that can be used to evaluate a target company? **(10 + 6)**
b) Company X paid a dividend of Rs. 1.80 per share this year. The company expects dividends to grow in perpetuity at 5 % per year, and the company's cost of equity capital is 7 %. Calculate the Price of the share by using DDM.
- Q5** Why cross boarder merger and acquisition is adopted by Corporate? Explain in detail the advantages and disadvantages of cross boarder merger. **(16)**
- Q6** What are the major regulation that governs the merger activity in India? Explain the SEBI take Over Code with recent provisions. **(16)**