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Third Semester MBA Degree Examination, Dec.2014/Jan.2015
Mergers, Acquisition and Corporate Restructuring

Time: 3 hrs.

Max. Marks: 100

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

- 1 a. What are the different types of merger? (03 Marks)
 b. Explain BCG matrix. (07 Marks)
 c. Explain Pre – Bio and Post – Bio takeout defenses strategies. (10 Marks)
- 2 a. Define Green Mail. (03 Marks)
 b. Explain the role of Industry Life cycle on merger. (07 Marks)
 c. Explain theories of merger. (10 Marks)
- 3 a. Define Corporate restructuring. (03 Marks)
 b. What is tender offer? Discuss types of tender offer. (07 Marks)
 c. What is Joint venture? What are its types? (10 Marks)
- 4 a. Define ESOP. (03 Marks)
 b. Write the difference between equity carve out and spin – off. (07 Marks)
 c. Discuss the process of Leverage Buyout. (10 Marks)
- 5 a. What is Due Diligence? (03 Marks)
 b. Explain the methods involved in valuation of a merger. (07 Marks)
 c. Describe the salient principles of Sebi guidelines for takeover. (10 Marks)
- 6 a. Define White knight. (03 Marks)
 b. What is Poison pills? Discuss types of Poison pills. (07 Marks)
 c. Discuss the objectives of Competition Act 2002. (10 Marks)
- 7 a. What is Cultural Shock? (03 Marks)
 b. What is Amalgamation? Discuss various types of Amalgamation. (07 Marks)
 c. Small Company is being Acquired by Large Company on a share exchange basis. The selection data is as follows :

Particulars	Large Co.	Small Co.
PAT (Rs in lakhs)	56	2.1
No. of Share (laks)	10	6.4
EPS (Rs)	5.6	2.5
Price Earning ratio	12.5	7.5

Determine i) Pre – merger market value per share ii) Post merger EPS. (10 Marks)

8 CASE STUDY (Compulsory) :

GAMA Ltd is taking over Theta Ltd. The shareholder of Theta would receive 0.8 shares of Gama Ltd. The relevant data for two companies are as follows :

Particulars	Gama Ltd	Theta Ltd
Net sales (Rs in crores)	335	118
PAT (Rs in crores)	58	12
No. of shares (Crores)	12	3
EPS (Rs)	4.83	4.0
MPS (Rs)	30	20
PE ratio	6.21	5.0

For combined company (Amar Merger). You are required to calculate

- EPS.
- P/E Ratio.
- Merger value per share.
- No. of shares and total merger capitalization.

(05 Marks)

(05 Marks)

(05 Marks)

(05 Marks)
