



P.E.S. College of Engineering, Mandya - 571 401

(An Autonomous Institution affiliated to VTU, Belagavi)

Third Semester, Master of Business Administration (MBA)

Semester End Examination; Dec - 2017/Jan - 2018

Mergers Acquisitions and Corporate Restructuring

Time: 3 hrs

Max. Marks: 100

Note: i) Answer all **FOUR** full questions from **PART - A** and **PART - B** (Case study) is compulsory
ii) PV, FV tables shall be allowed, scientific calculators shall be allowed.

PART - A

- 1 a. List and explain the most common reasons of Corporate Restructuring. 10
b. Explain the types of Corporate Restructuring. 10

OR

- 2 a. Explain the various classes of growth opportunities with examples where in M and A route was used. 10
b. Explain strategy prescription by using the BCG matrix. 10
3 a. Explain with examples various theories of M and A. 10
b. Explain with examples of synergies. 10

OR

- 4 a. Explain five stage models. 10
b. Briefly explain Business valuation approaches in M and A's. 10
5 a. Write a short note on defense tactics. 10
b. ABC Ltd. has two business undertakings, X and Y. It demerged its business into XYZ Ltd. with the appointed date of 1-4-2015. The demerger was approved on 17-10-2015 and shares in XYZ Ltd. were allotted to all the share holders of ABC Ltd in the ratio of 1:1 on 17th Nov. 2016. The balance sheet of ABC prior to the demerger is given below. Show the statement of asset, liabilities, loan and reserves transfer.

Balance sheet

[` in Lakh]

Equity share capital		10.00	Fixed Assets		
Securities Premium A/c	60		X	200	
Revaluation Reserves (Business Y)	30		Y	<u>130</u>	330
General Reserve	<u>200</u>	290.00	Current Asset		
			X	120	
			Y	<u>60</u>	180
Debt:					
X	20				
Y	20				
Common	<u>60</u>				
		100			
Current liabilities					
X	80				
Y	<u>30</u>				
		110			
		510			510

OR

- 6 a. Explain the method of effective payment in M and A's. 10
- b. Briefly explain types of Asset based valuation approach. 10
- 7 a. List and explain the various types of Due Diligence. 10
- b. Why M and A's quite often fail? Explain. 10

OR

- 8 a. Explain the conditions that are present to the High Court approval of an amalgamation of demerger. 10
- b. List and explain the Buy Back of shares from the open market. 10

PART - B

Case Study (Compulsory)

- 9 a. i) Monopoly is possible
- ii) Bargaining Power of buyer 10
- iii) Buying Power of Supplier
- iv) Entry for new form as critical ct.....
- b. i) Managerial Synergy
- ii) Operational Synergy 10
- iii) Financial Synergy.

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