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SIXTH SEMESTER BBA DEGREE EXAMINATION, APRIL 2024

(Regular/Improvement/Supplementary)

HONOURS

GBAH6B25T: MERGERS AND ACQUISITIONS

Time: 3 Hours

Maximum Marks: 80

PART A: Answer all the questions. Each question carries one mark.

1. A large US Co. recently set up a new corporation based on the assets from one of its divisions. The stock of the new corporation was titled to the stock holders of the original firm. This change is an example of a
 - a) Merger.
 - b) Synergic Merger.
 - c) Holding Co.
 - d) Divestiture.
2. A firm that acquires another firm as part of its strategy to sell off assets, cut costs, and operate the remaining assets more efficiently in engaging in.....
 - a) A strategic acquisition.
 - b) A financial acquisition.
 - c) Two-tier tender offer.
 - d) Shark repellent.
3. Pooling of interest is a method of
 - a) Accounting of amalgamation.
 - b) Charging depreciation.
 - b) Account of absorption.
 - c) Calculation of purchase consideration.
4. Present Value.....
 - a) Lower the replacement value & and recoverable value.
 - b) Higher of the net selling price and value in use.
 - c) Value of the future net cash inflows.
 - d) Value net of expenses.
5. One means for a company to "go private is".....
 - a) Divestiture
 - b) The pure play
 - c) LBO
 - c) The prepackaged reorganization

Fill in the Blanks.

6.refers to the reorganization of share capital.
7. means acquisition.
8. is a combination of firms engaged in unrelated lines of business activities.
9. A..... is a formal offer to purchase a given number of company's shares at a specific price.
10.integration is a combination of two or more firms involved in different stages of production or distribution.

(10 x 1 = 10 Marks)

(PTO)

PART B: Answer any *eight* questions. Each carries *two* marks.

11. What is cash offer?
12. Give an account on pooling of interest method.
13. What is purchase method?
14. What is CBMA?
15. Give an account on hostile takeover.
16. What is swap ratio?
17. Comment on holding Company.
18. What is LBO?
19. Write a short note on spin off.
20. What is horizon value?

(8 x 2 = 16 Marks)

PART C: Answer any *six* questions. Each carries *four* marks.

21. What is purchase consideration? Discuss its types.
22. Explain the DCF Approach of M & A Valuation.
23. What are the three types of due diligence in M&A?
24. What are the motives behind merger?
25. How does merger and acquisition enhanced profitability?
26. Briefly explain the types of business combinations?
27. State the legal procedure for merger or acquisition laid down in the companies Act.
28. What are the steps involved in the valuation of a merger?

(6 x 4 = 24 Marks)

PART D: Answer any *two* questions. Each carries *fifteen* marks.

29. What are the most significant challenges associated with Merger and Acquisition?
30. What are the reasons for cross border Mergers and Acquisitions. (CBMA)
31. How does SEBI regulate the takeover of companies?

(2 x 15 = 30 Marks)