

**D6BBH2203**

(PAGES: 2)

**Reg. No.....**

**Name.....**

**SIXTH SEMESTER UG DEGREE EXAMINATION, APRIL 2025**

**(Regular/Improvement/Supplementary)**

**BBA HONOURS**

**GBAH6B25T: MERGERS AND ACQUISITIONS**

**Time: 3 Hours**

**Maximum Marks: 80**

**PART A. Answer *All* the questions. Each carries *one* mark.**

**Choose the correct answer.**

1. What does LBO stands for in the context of corporate restructuring?  
A. Large Business Organizations.      C. Limited Business Operations.  
B. Leveraged Buyout.      D. Long Term Business Objectives.
2. Which of the following is not a type of merger?  
A. Horizontal Merger.      C. Vertical Merger.  
B. Diagonal Merger.      D. Parallel Merger.
3. What is the first step in the merger process?  
A. Due Diligence.      C. Identification of target.  
B. Negotiation.      D. M&A Integration.
4. What is the main purpose of a merger?  
A. Competition.      B. Collaboration.      C. Expansion.      D. Isolation.
5. What is the primary focus of DCF Valuation?  
A. Historical Financial Performance.      C. Market share analysis.  
B. Future cash flows.      D. Relative valuation metrics.

**Fill in the blanks.**

6. \_\_\_\_\_ take over involves the approval of the target companies' management.
7. \_\_\_\_\_ is a common takeover defense mechanism used by target companies.
8. The competition Acts primary aim is to \_\_\_\_\_.
9. CBMA stands for \_\_\_\_\_.
10. The discount rate used in DCF valuation is often referred to as the \_\_\_\_\_.

**(10 x 1 = 10 Marks)**

**(PTO)**

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

11. Explain the concept of MBO.
12. Differentiate between sell off and spin off in the context of corporate restructuring.
13. Name one common managerial challenge organizations take post-merger.
14. Comment on operating synergy.
15. What is pooling of Interest method?
16. How does the purchase method apply to M&A?
17. Write a note on any two provisions of the Competition act relevant to M&A?
18. Enumerate the role of IT act 1961 in the taxation of mergers.
19. What is financial synergy?
20. What is purchase method of accounting?

**(8 x 2 = 16 Marks)**

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

21. 'M & A is a capital budgeting decision'. Do you agree?
22. Investigate the internal and external change forces that contribute to M&A activities.
23. Examine the economic rationale for different types for mergers, highlighting the factors that influence the choice of a specific type of merger.
24. Discuss the significance of selecting an appropriate discount rate in the DCF valuation process.
25. Outline the main steps involved in valuing a company in the context of LBO.
26. Elaborate the importance of financial synergy in the valuation process.
27. Explain the concept of relative valuation and how it differs from DCF valuation.
28. Discuss the impact of the purchase method on the balance sheet of the acquiring Co.

**(6 x 4 = 24 Marks)**

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

29. Discuss the role of effective communication in the M&A integration process.
30. Enumerate the challenges and risks associated with cross border M&A.
31. Describe the various approaches employed on hostile takeover, highlighting the strategies used by both the acquiring and target companies.

**(2 x 15 = 30 Marks)**