D6BBH2303 (PAGES: 2) **Reg. No………………….**

Name…………………….

SIXTH SEMESTER UG DEGREE EXAMINATION, APRIL 2026

(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. _____ is an example of a form of corporate restructuring.
   A) Joint ventures C) Advertising campaign
   B) Employee Training D) Product Launch
2. What is the motive behind merger according to merger theories?
   A) Cost reduction C) Increase customer satisfaction
   B) Employee Training D) Environmental Sustainability
3. What is a primary consideration when identifying a target for mergers or acquisitions?
   A) Size of the target C) Industry synergy
   B) Geographical location D) All of the above
4. What is the critical factor for a smooth deal closure?
   A) Minimal due diligence C) Effective communication
   B) Legal complexity D) Limited stake holder involvement
5. What does a cash offer in financing mean?
   A) Issuing new shares C) Borrowing from banks
   B) Using cash reserves for acquisition D) Venture capital funding.

Fill in the blanks.

6. When using the P/E ratio in relative valuation,a higher P/E ratio may suggest ____.
7. In a ____ takeover, the acquiring company typically acquires the target company.
8. ______ is the primary purpose of due diligence in M&A transactions.
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. What is the concept of Synergy?
12. State the motives for CBMA.
13. What is LBO?
14. Name one crucial factor that contribute to successful negotiations in M&A.
15. In CBMA, what is due diligence?
16. What is DCF strategy?
17. Comment on takeover.
18. What is the theory of MNE?
19. Mention the risks involved in CBMA?
20. What is vertical merger?

(8 x 2 = 16 Marks)

Part C. Answer any *six* questions. Each carries *four* marks.

21. Explain the concept of M&A.
22. Investigate the internal and external forces that contribute to M&A activities.
23. Explain the characteristics and significance of LBO.
24. Discuss the role of due diligence in M&A transactions.
25. Explain the concept of goodwill in the context of M&A accounting.
26. Distinguish between purchase method and pooling of interest method.
27. Provide any two primary reasons why companies engage in CBMA.
28. The Companies Act of 2013 in India brought significant changes to M&A regulations. Explain.

(6 x 4 = 24 Marks)

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

29. Examine the complexities and critical considerations involved in the managerial challenges of M&A.
30. Discuss the advantages and disadvantages of using a cash offer versus a share exchange ratio in M&A.
31. Examine the reasons behind implementing hostile takeover. Discuss its advantages and disadvantages.

(2 x 15 = 30 Marks)