



M.B.A. III Semester Degree Examination, April/May - 2024
Mergers, Acquisitions and Corporate Restructuring
(NEP)

Time : 3 Hours

Maximum Marks : 70

Note : Answer **any five** of the following questions with **Question No. 1 (Q1) compulsory**, each question carries **equal** marks.

1. M. Co. Ltd. is studying the possible acquisition of N Company Ltd, by way of merger. **14**

The following data are available in respect of the companies.

	M Co. Ltd.	N Co. Ltd.
EAT (Rs.)	80,00,000	24,00,000
No. of equity shares	16,00,000	4,00,000
Market value per share (Rs.)	20	160

Compute the below :

- (i) If the merger goes through by exchange of equity and the exchange ratio is based on the current market price, what is the new earning per share for M Co. Ltd. ?
- (ii) N Co. Ltd wants to be sure that the earnings equitable to its shareholders will not be diminished by the merger. What should be the exchange ratio in that case ?
2. Define the term mergers. Discuss the different motives for mergers and acquisitions in 21st century. **14**
3. Discuss the process of M & A highlighting the managerial challenges in M & A. **14**
4. Explain the term Corporate Restructuring and elaborate on the different types of corporate restructuring with illustrations. **14**
5. Define synergy and assess the operating and financial synergy obtained from mergers and acquisitions. **14**



- 6.** What is hostile takeover ? Discuss the different precautionary strategies adopted by target firms. **14**
- 7.** Write an explanatory note on different methods employed by firms for financing M & A. Discuss its implication on capital budgeting decisions. **14**
- 8.** Write an explanatory note on :
- (a) Due Diligence **5**
 - (b) BCG Matrix **5**
 - (c) SEBI Code of conduct on M & A **4**

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