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Fourth Semester MBA Degree Examination, Dec.2018/Jan.2019 Mergers, Acquisitions and Corporate Restructuring

Time: 3 hrs.

Max. Marks: 80

**Note: 1. Answer any FOUR full questions from Q.No.1 to Q.No.7.
2. Question No. 8 is compulsory.**

- 1
 - a. What is meant by synergy of merger? (02 Marks)
 - b. Discuss the different types of mergers. (06 Marks)
 - c. Explain the theories of mergers. (08 Marks)

- 2
 - a. What are the motives behind merger and Acquisition? (02 Marks)
 - b. Explain the BCG Matrix. (06 Marks)
 - c. Briefly explain the provision of companies Act 1956 relating to mergers and Acquisition. (08 Marks)

- 3
 - a. What is LBO and MBO? (02 Marks)
 - b. What is joint venture? What are the different reasons behind a joint venture and what are the common reasons for failure of joint venture? (06 Marks)
 - c. Explain various forms of corporate restructuring. (08 Marks)

- 4
 - a. What is due diligence? (02 Marks)
 - b. Discuss the human resonance management challenges during merger integration. (06 Marks)
 - c. Briefly explain the five stage model of merger process. (08 Marks)

- 5
 - a. What is purchase consideration? (02 Marks)
 - b. What is amalgamation? What are the methods of accounting for amalgamation? (06 Marks)
 - c. Discuss the different methods of calculation of purchase consideration. (08 Marks)

- 6
 - a. What is a poison pill? (02 Marks)
 - b. Explain SEBI takeover code. (06 Marks)
 - c. Explain various takeover defenses available to target company. (08 Marks)

- 7
 - a. What is Divestiture? (02 Marks)
 - b. Discuss the stages of LBO operation. (06 Marks)
 - c. What is MLP? Discuss the different types of MLPs. (08 Marks)

Important Note : 1. On completing your answers, compulsorily draw diagonal cross lines on the remaining blank pages.
2. Any revealing of identification, appeal to evaluator and /or equations written eg, 42+8 = 50, will be treated as malpractice.



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Compulsory : Case Study

On 31st March 2018 the Balance Sheet of X Ltd stood as follows :

Liabilities	Rs	Assets	Rs
Share capital 1,50,000, equity shares Rs 10/- per each	15,00,000	Plant and Machinery	16,10,000
		Furniture	1,94,400
Securities premium	1,50,000	Stock	7,05,500
General Reserve	6,25,500	Debtors	1,98,440
P and L account	1,85,300	Cash	1,13,200
Creditors	3,60,740		
	28,21,540		28,21,540

On this date X Ltd took over the business of Y Ltd for Rs 6,60,000 payable in the form of its fully paid equity shares of Rs 10/- each at par share holder. If Y Ltd getting 110 shares of X Ltd for every 100 shares held in Y Ltd. One scheme of amalgamation also provided that 3000 11% debenture of Y Ltd would be converted into equal number of 12% debenture of X Ltd of Rs 100 each. The balance sheet of Y Ltd on the date of the amalgamation was as follows:

Liabilities	Rs	Assets	Rs
Share capital 60,000 equity shares Rs 10/- per each	6,00,000	Machinery	5,50,000
Capital Reserve	13,000	Furniture	1,35,200
Foreign project Reserve (Statutory Reserve)	9,700	Stock	3,15,800
General Reserve	75,350	Debtors	1,29,300
P and L account	24,130	Cash	68,260
3000, 11% debentures of Rs. 100/- each	3,00,000	Preliminary expenses	6100
Creditors	1,82,480		
	12,04,660		12,04,660

You are required to pass Journal entries in the books of X Ltd and draw X Ltd's balance sheet immediately after the takeover assuming the amalgamation is the nature of merger.

(16 Marks)
