

Enrollment No: \_\_\_\_\_

Exam Seat No: \_\_\_\_\_

# C.U.SHAH UNIVERSITY

## Summer Examination-2018

**Subject Name :** Mergers And Acquisitions

**Subject Code :** 5MS04MAA1

**Branch:** M.B.A.

**Semester :** 4      **Date :** 05/05/2018

**Time :** 10:30 To 01:30

**Marks :** 70

**Instructions:**

- (1) Use of Programmable calculator and any other electronic instrument is prohibited.
  - (2) Instructions written on main answer book are strictly to be obeyed.
  - (3) Draw neat diagrams and figures (if necessary) at right places.
  - (4) Assume suitable data if needed.
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### SECTION – I

- Q-1      Attempt the Following questions      (07)**
- a. State the full form of LBO.      01
  - b. State any one point of difference between Horizontal Integration and Vertical Integration.      01
  - c. Carve out is a hybrid of which two forms of Corporate Restructuring?      01
  - d. Define Bail out Takeover.      01
  - e. Explain Vertical Merger.      01
  - f. What do you understand by Intrinsic value of a company?      01
  - g. Define Reverse Merger.      01
- Q-2      Attempt all questions      (14)**
- a. Write a note on Escrow Account in detail.      07
  - b. What are the various methods of Acquisition? Explain.      07
- OR**
- Q-2      Attempt all questions      (14)**
- a. Write a note on Equity Carve out.      07
  - b. What do you mean by Synergy? Discuss different types of the same.      07
- Q-3      Attempt all questions      (14)**
- a. Explain the types of Takeover in detail with examples wherever possible.      07
  - b. Write a note on types of Merger.      07
- OR**
- Q-3      Attempt all questions**
- a. What do be the probable Takeover Tactics? Explain in detail.      07
  - b. Explain the process of Merger.      07



## SECTION – II

- Q-4 Attempt the Following questions (07)**
- a. Define Amalgamation. 01
  - b. State an example of Joint Venture. 01
  - c. Mention any two approaches of Enterprise / Equity Validation. 01
  - d. What do you mean by Leverage cap? 01
  - e. What is Corporate Restructuring? 01
  - f. Define IPO. 01
  - g. What do you mean by spin off? 01
- Q-5 Attempt all questions (14)**
- a. Explain in detail about Hostile Takeover and Friendly Takeover. 07
  - b. Explain various methods of Share buyback. 07
- OR**
- Q-5 Attempt all questions**
- a. The ABC Ltd is growing at a pace of 25% in the first 5 years. EPS is Rs.3, Capital Expenditure is Rs.2.50, Depreciation per share is Rs.2 and Changes in Working capital is Rs.0.50 per share. It is assumed that capital expenditure, depreciation grow at the same rate as earnings. Beta during growth period is 1.5. Risk free rate is 7.5% and Market risk premium is 5.5%. 07
- Calculate of Cost of Equity and PV FCFE during high growth period.
- b. Write a note on ESOP's. 07
- Q-6 Attempt all questions (14)**
- a. Explain the concept of Downsizing and Downscoping. 07
  - b. Explain different methods of calculating Consideration. 07
- OR**
- Q-6 Attempt all Questions**
- a. What is Demerger? Explain the reasons behind it. 07
  - b. What do you mean by Due Diligence? Discuss different types of the same. 07

