

**PARUL UNIVERSITY**  
**FACULTY OF MANAGEMENT**  
**MBA Summer 2021 - 22 Examination**

**Semester: 4**  
**Subject Code: 06201252**  
**Subject Name: Corporate Restructuring**

**Date: 24/03/2022**  
**Time: 10:30 am to 01:00 pm**  
**Total Marks: 60**

**Instructions**

1. All questions are compulsory.
2. Figures to the right indicate full marks.
3. Make suitable assumptions wherever necessary.
4. Start new question on new page.

**Q.1 Do as Directed.****A). Multiple choice type questions/Fill in the blanks. (Each of 1 mark) (05)**

- 1 Which of the following would not be acquired from a target company in the event of a
 

a) Target company equity	c) Target company liabilities
b) Target company asset	d) Target company share price premium
- 2 Which of the following is correct formula of acquisition
 

a) $A + B + C - D$	c) $A - B + C - D$
b) $A + B - C - D$	d) $A + B + C + D$

Where,  
**A** = Profit before tax, **B** = Annual Depreciation, **C** = Additional Profit form Synergy,  
**D** = Tax on profit
- 3 What is the most important fundamental reason for an acquiring company to acquire a target
 

a) To acquire strategic options	c) To maximize acquiring firm value
b) To gain economies of scale	d) To entrench management
- 4 Maruti Suzuki in India is an example of
 

a) Joint Venture	c) Strategic Alliance
b) Merger	d) None of the above
- 5 Which of the following factor(s) affecting value of the firm
 

a) Capital	c) Goodwill
b) Trend in Profit	d) All of the above

**B). Define the following. (Each of 1 mark) (05)**

1. Joint Venture
2. Buy Back of Share
3. ESOP
4. Strategic Alliance
5. Take-Over

**C). Direct questions. (Each of 1 mark) (05)**

1. Give an example of business synergy in light of corporate restructuring
2. In which situation in which strategy to commence Joint Venture is suitable
3. What is anti-takeover strategy?
4. State any two point of difference between merger and acquisition?
5. Give any two example of Joint Venture in India.

**Q.2 Answer the following questions.****A). Distinguish between Friendly Takeover and Hostile Takeover (07)****B). Briefly explain provisions of SEBI Buyback guidelines (08)****Q.3 Answer the following questions.****A). Bring out the importance of due diligence (07)****B). Explain leverage buy out. (08)****Q.4 Attempt any two questions. (Each of 7.5 mark) (15)**

1. What is corporate restructuring and what is not corporate restructuring? Explain with appropriate example
2. How you can use knowledge of corporate restructuring if you are a finance manager of fast food chain business which is planning to expand their business at PAN India.

3. Explain any three recent acquisition or takeover bids in India
4. Discuss various advantages and disadvantages of strategic alliance.