

**PARUL UNIVERSITY**  
**FACULTY OF MANAGEMENT**  
**MBA Winter 2018 - 19 Examination**

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

**Date: 13/12/2018**  
**Time: 2:00 pm to 4:30 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. When a leveraged buyout transaction is led by the firm's management then the transaction is called \_\_\_\_\_  
 a) IPO  
 b) LBOM  
 c) MBO  
 d) CFO
2. Vertical mergers are those in which the participants are \_\_\_\_\_  
 a) In the same industry  
 b) In different phases of value chain  
 c) In the different industry  
 d) none of the above
3. What is the most important fundamental reason for an acquiring company to acquire a target company?  
 a) To acquire strategic options  
 b) To gain economies of scale  
 c) To maximize acquiring firm value  
 d) To entrench management
4. An attempt to replace management in which a group of shareholders try to solicit votes is a  
 a) Tender Offer  
 b) Proxy Flight  
 c) Takeover  
 d) LBO
5. A public offer by one firm to directly buy the shares of another firm is called a:  
 a) Merger.  
 b) Consolidation.  
 c) Tender offer.  
 d) Spinoff.

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

1. Employee Stock Option scheme
2. Leveraged Buyout
3. Spin off
4. Conglomerate merger
5. Equity Carve out

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

1. Discuss the concept of Demerger
2. What do you mean by Strategic Alliance? Give one example.
3. Discuss the concept of divestiture?
4. What is franchising?
5. What is Proxy Flight?

**Q.2 Answer the following questions.****A). Explain the term Synergy. Explain how the firms can achieve synergetic benefits through M & A****(07)****B). What is Buyback of Shares? What are the possible reasons for Buyback?****(08)****Q.3 Answer the following questions.****A). Explain in detail various methods used to do the valuation of Business in an M&A activities.****(07)****B). What are the challenges of the Due Diligence process in India?****(08)****Q.4 Attempt any two questions. (Each of 7.5 mark)****(15)**

1. Briefly explain provisions of SEBI Takeover Code.
2. Do Takeover Always succeed? What strategies do target companies employ to thwart takeover attempts?
3. Write a note on Joint Venture. What are advantages and disadvantages of Joint Venture?
4. Distinguish between Friendly Takeover and Hostile Takeover.