

PARUL UNIVERSITY
FACULTY OF MANAGEMENT
MBA, Summer 2017-18 Examination

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

Date: 23/5/2018
Time: 10:30am to 1:00pm
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 be a legitimate stated reason for an acquisition?

a) The acquisition of critical mass	c) Empire building
b) Hubris	d) The acquisition of monopoly
2. When British Airways merged with Iberia, the Spanish airline, what kind of merger was this?

a) Vertical	c) Joint venture
b) Horizontal	d) Conglomerate
3. Which of the following would not be acquired from a target company in the event of a takeover?

a) Target company equity	c) Target company liabilities
b) Target company asset	d) Target company share price premium
4. 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
5. Which of the following is not an anti-takeover defense?

a) Hubris	c) Golden Parachute
b) Greenmail	d) Scorched Earth

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

1. Joint Venture
2. Due Diligence
3. Take over
4. Buy Back of Shares
5. Employee Stock Option Plan

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

1. State meaning of Leveraged Buyout
2. State meaning of Divestitures
3. State meaning of Equity carved out
4. State/List any two anti-take over strategy for target company
5. State/List any two major form of corporate restructuring

Q.2 Answer the following questions.**A). Briefly discuss motives of Corporate Restructuring.****(07)****B). List and briefly discuss various categories and types of Strategic Alliances****(08)****Q.3 Answer the following questions.****A). Briefly explain the motives behind buyback of shares****(07)****B). Briefly discuss the advantages and disadvantages associated with Joint Ventures.****(08)****Q.4 Attempt any two questions. (Each of 7.5 mark)****(15)**

1. How you can apply knowledge of corporate restructuring as a finance manager of any Multi National Company
2. List and briefly discuss three fundamental approaches of business valuation.
3. Identify and briefly highlight various steps in a Merger process
4. Briefly discuss various takeover strategies