

GUJARAT TECHNOLOGICAL UNIVERSITY**MBA(AM) - SEMESTER- IX EXAMINATION – WINTER 2019****Subject Code: 4190511****Date: 14/11/2019****Subject Name: Merger & Acquisition****Time: 10:30AM to 01:30PM****Total Marks: 70****Instructions:**

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.

- Q.1** (a) What is Corporate Restructuring? What are the different motives of restructuring? **07**
- (b) Explain the concept of Friendly and hostile takeovers. Discuss in brief various tactics that can be used by target company to defend the hostile takeover by an acquirer. **07**
- Q.2** (a) Mergers and acquisitions can have an adverse impact on healthy state of competition prevailing in the markets. One of the objectives of the competition act 2002 is to promote and sustain competition in markets. With respect to this explain in detail major provisions of Competition act 2002 governing combinations. **07**
- (b) Why do companies go for Share Buyback? Discuss advantages and disadvantages of Share Buyback. **07**
- OR**
- (b) Explain the basic taxation issues in Amalgamation & Demerger **07**
- Q.3** (a) Discuss the provisions related to Mergers and Acquisition given in Income Tax Act, 1961 **07**
- (b) How does buy-back of shares of by a company help in increasing the promoters stake in the company? Explain with a numerical example **07**
- OR**
- Q.3** (a) Highlight the differences between the Pooling of Interest Method & Purchase Method with respect to Accounting Standard 14. **07**
- (b) What are various sources of funds used in domestic acquisitions? Discuss in brief major merits and demerits of each of them. **07**
- Q.4** (a) Explain the concept of strategic alliance. Why do companies enter into strategic alliances? What are the implications of strategic alliance? **07**
- (b) Define Purchase consideration. Discuss the major points to be considered in Net assets method of calculating purchase consideration. **07**
- OR**
- Q.4** (a) Explain in detail various methods used to do the valuation of Business in an M&A activities. **07**
- (b) Explain the term Synergy. Explain how the firms can achieve synergetic benefits through M & A activity. **07**
- Q.5** (a) What is divestiture? What are the reasons for divestitures? **07**
- (b) Explain in detail the concept of Leveraged Buyout (LBO). Highlight the difference between LBO and an Acquisition. **07**
- OR**
- Q.5** (a) What is due diligence? Why there is a need for due diligence in M&A? **07**
- (b) Explain various difficulties encountered in cross border acquisition. **07**
