

School of Business**Bachelor of Business Administration
Semester End Examination - Jul 2024****Duration : 180 Minutes
Max Marks : 100****D1UA511T -BBFI3010 Merger and Acquisition_Sem V**General Instructions*Answer to the specific question asked**Draw neat, labelled diagrams wherever necessary**Approved data hand books are allowed subject to verification by the Invigilator*

- 1) Define demerger and explain the primary objectives of companies. K1(2)
- 2) Illustrate the important pre-conditions for Buy Back of Shares K2(4)
- 3) Takeover Tactics are used in case of a hostile takeover. Explain any 3 takeover tactics which help the Acquiring company to successfully takeover the target company K2(6)
- 4) Identify the important guidelines of SEBI for Buy Back of Shares (1998). K3(9)
- 5) Determine any 5 differences between a friendly takeover and hostile takeover (in a tabular manner) K3(9)
- 6) Assess in detail the Raider theory & Empire Building Theory of Merger & Acquisition by Friedrich Trautwein. K5(10)
- 7) Comment on different techniques of defence against takeover. K4(12)
- 8) Rajnigandha Ltd. is absorbed by Vasundhara Ltd. the consideration being the take over of liabilities; the payment of cost of absorption as a part of purchase of consideration set exceeding Rs.20,000 (actual cost Rs.17,000) the payment of the debentures of Rs.1,00,000 at a premium of 10% in 9% debentures issued par; and the payment of Rs.16 per share in cash and allotment of one 14% preference share of Rs.10 each and 6 equity share of Rs.10 each fully paid for every four shares in Rajnigandha Ltd. The number of shares of the vendor company are 2,00,000 of Rs.10 each fully paid. Assess the purchase consideration as per Accounting standard-14 assuming it is an absorption in the nature of purchase. K5(15)
- 9) "Estimating the fair value of a company is an art and a science." Justify this statement with the various methods of valuation of company. K5(15)
- 10) Elaborate on the concept of business acquisition finance the methods of financing a business acquisition. K6(18)