

Roll Number: _____

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SY BBA(FS), Semester IV () Semester End Assessment, Repeat November 2023

Course Code: BFS GEC 9 Course Title: Corporate Restructuring

Duration: 2 hours

Max. Marks: 60

Instructions:

1. Start each question on a fresh page.
2. Q.1. is compulsory.
3. The figures to the right indicate maximum marks.

Q. 1. Write short notes on ANY FIVE from the following:

(05x04=20 Marks)

1. 'Contraction' as an important component of corporate restructuring.
2. Employee Stock Option Plan (ESOP).
3. Economies of Scale.
4. Market-Extension Mergers.
5. Conglomerate Takeovers.
6. Financial Package.

Q. 2. Answer ANY ONE from the following:

(01x10=10 Marks)

- A. Porter's Five Forces is a model that identifies and analyzes five competitive forces that shape every industry and helps determine an industry's weaknesses and strengths. Five Forces analysis is frequently used to identify an industry's structure to determine corporate strategy. Elaborate.

OR

- X. Company restructuring can bring many benefits and help to meet the evolving commercial, financial and legal objectives of a firm. Discuss.

Q. 3. Answer ANY ONE from the following:

(01x10=10 Marks)

- A. Overall, there are many reasons why mergers and acquisitions fail. Value destruction, poor communication and integration, and cultural differences are some of the most common reasons. If these issues are not addressed, it can be very difficult to make a merger or acquisition a success. Elaborate.

OR

- X. A merger wave can be defined as a period of time in which more merger bids materialize than usual. Explain the merger waves with specific reference to the United States of America.

Q. 4. Answer ANY ONE from the following:

(01x10=10 Marks)

- A. The defensive strategies a company employs to thwart a hostile takeover can have a significant impact on its shareholders, including sometimes a decline in shareholder value. Takeover defenses include all actions by managers to resist having their firms acquired. Explain.

OR

- X. All takeovers have financial motives of one kind or another - each is designed to achieve a satisfactory rate of return for the investment and risk been taken. However, there are also circumstances where the underlying motive for the transaction is financial rather than strategic. Discuss.

Q. 5. Answer ANY ONE from the following:

(01x10=10 Marks)

- A. A significant number of mergers and acquisitions are largely driven by the number of leveraged buyouts (LBOs). Any deal that uses a loan as part of its purchase price and involves purchasing a controlling interest is a leveraged buyout. The leveraged buyout has matured and has had a large contribution to the evolution of the mergers and acquisitions market over the last 20 years. Discuss.

OR

- X. Mergers and Acquisitions (M&A) Financing is the process through which companies fund their mergers and acquisitions. Most M&A transactions involve considerable amounts of capital, sometimes obligating the buyer to finance a deal through financial resources other than the company's own cash reserves. Elaborate.
