

Subject : Elective-II : Mergers & Acquisitions (Financial Management)

Day : Saturday
Date : 04/06/2016



Time : 02.00 P.M. TO 05.00 P.M.
Max Marks : 70 Total Pages : 1

N.B.:

- 1) Attempt **ANY FOUR** questions from Section – I and attempt **ANY TWO** questions from Section – II.
- 2) Answers to both the sections should be written in the **SAME** answer book.
- 3) Figures to the right indicate **FULL** marks.

SECTION – I

- Q.1** State and explain the motives behind mergers. [10]
- Q.2** Write in brief about Amalgamation. [10]
- Q.3** How mergers and acquisitions lead to accelerated growth? [10]
- Q.4** State any five guidelines of SEBI in respect of takeover. [10]
- Q.5** Write short notes on **ANY TWO** of the following: [10]
- a) Leverage Buy Outs
 - b) Tax Benefits for Mergers
 - c) Increased Market Power
 - d) SWOT Analysis

SECTION – II

- Q.6** What are the advantages of Cross Border combination to different stock holders? [15]
- Q.7** What type of information is considered while making Industry specific Analysis? [15]
- Q.8** XYZ Ltd., intends to acquire ABC Ltd., by exchanging 2 shares of XYZ Ltd against 5 shares of ABC Ltd. The relevant financial data are given below: [15]

Company	XYZ Ltd	ABC Ltd
EAT	15 lakhs	4.50 lakhs
Equity	3 lakhs	00.75 lakhs
Market price per share	Rs. 60/-	Rs. 30/-

Calculate:

- a) Pre-merger EPS of both the companies.
- b) P/E ratio of both the companies.
- c) EPS of combined company (There is no synergy effect).
- d) Market Price per share for combined company.
- e) EPS and Market Price if exchange ratio is one share of XYZ Ltd against 3 shares of ABC Ltd.

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