

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

Day : Thursday
Date : 08/12/2016



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** Why do the companies merge? [10]
- Q.2** What are the considerations while taking over any company? [10]
- Q.3** Explain relevance of Corporate Goals to Mergers and Acquisitions. [10]
- Q.4** What information do you consider and scrutinize while you undertake firm specific analysis? [10]
- Q.5** Write short notes on **ANY TWO** of the following: [10]
- a) SWOT Analysis
 - b) Pooling of Interest Method
 - c) Cash Flows and Mergers and Acquisitions
 - d) Joint Venture Abroad

SECTION – II

- Q.6** Write in brief on : [15]
- a) Leverage Buy outs
 - b) Amalgamation
- Q.7** State any five guidelines of SEBI regarding take over and comment on how do they protect the interest of investors. [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. 40/-	Rs. 20/-

Calculate:

- a) Premerger 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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