

TIME: 2.5 hours

MARKS: 75

Q.1. a. State whether the statement are True or False: **(Any 8)** (8M)

1. A consolidation is a combination of two or more companies into a new company
2. LPG paved way to a strong corporate restructuring in India.
3. In absence of execution, planning and formulation of corporate restructuring is enough.
4. Vertical merger is merger of two firms operating and competing in the same business activity.
5. Section 230 and 240 of Companies act, 2013 contains provisions on compromise, Arrangement and Amalgamation.
6. When debenture is used as a source of financing, the company has to be committed towards payment of interest.
7. Medium term foreign currency denominated ECB with minimum average maturity of 1/3 years.
8. Rehabilitation finance refers to merging of sick companies with healthy companies.
9. Post-merger integration requires low quality management.
10. Lack of involvement of human resource can have a positive impact on merger.

Q.1. b. Match the Following: **(Any 7)** (7M)

| Column 'A' | Column 'B' |
|-------------------------------|---|
| 1. Leverage Buyout | a. Defence for conglomerate companies |
| 2. Buyback of shares | b. Finance engineering |
| 3. Lack of training | c. Special compensation agreement |
| 4. Crown jewels | d. Combination of two or more companies |
| 5. Financial Instrument | e. Include production process |
| 6. Merger | f. Merging of sick companies with healthy companies |
| 7. Consolidation of operation | g. Return the excess cash to share holders |
| 8. Golden 'Parachute' | h. Using the public company as shell |
| 9. Reserve Merger | i. Using mainly debt to finance |
| 10. Market Extension merger | j. To increase market share |
| | k. Merger failure |
| | l. Get access to bigger market |
| | m. Friendly and hostile |

Q.2. a. Write a note on planning, formulation and execution of various Corporate Restructuring strategies. (8M)

Q.2. b. Explain the role of professionals in Corporate Restructuring. (7M)

OR

Q.2. p. Discuss about different Restructuring strategies. (8M)

Q.2. q. Describe the historical back ground of Corporate Restructuring. (7M)

Q.3. a. Explain Accounting aspect of Amalgamation in terms of
i. Amalgamation in the nature of Purchase
ii. Amalgamation in the nature of Merger (8M)

Q.3. b. Explain with examples what you understand by Horizontal Merger and Vertical Merger. (7M)

OR

Q.3.p. Explain what you mean by the term Merger, Also explain with examples what you understand by Conglomerate Merger. (8M)

Q.3. q. Enumerate the economic aspects of Merger. (7M)

Q.4. a. What is buyback of shares? Explain reasons for buyback. (8M)

Q.4.b. Give the different types of Debentures. (7M)

OR

Q.4. p. Give your views on Funding through Equity and Preference Shares (8M)

Q.4. q. Explain the term Management Buy – Outs (7M)

Q.5. a. Give reasons for failure of Mergers. (8M)

Q.5. b. Enumerate the factors in the Post – Merger Reorganisation (7M)

OR

Q.5. p. Short Notes: (Attempt any 3) (15M)

1. Leveraged Buy out
2. Post – Merger Success
3. Reverse Merger
4. Types of Takeover with examples
5. Franchising
