



UNIVERSITY WITH A PURPOSE

UNIVERSITY OF PETROLEUM AND ENERGY STUDIES
End Semester Examination, December 2021

Course: MERGER, ACQUISITIONS & CORPORATE RESTRUCTURING
Program: B.COM(HONS)
Course code: FINC2071
Instructions: Attempt all questions

Semester: 3RD
Time: 03 Hours
Max. Marks: 100

SECTION A (20 Marks)
Multiple choice questions

		Marks	CO
Q.1.	<p>1. Walt Disney's acquisition of ABC television network is an example of:</p> <p>(I) Horizontal merger (II) Vertical merger (III) Conglomerate merger (IV) Cross-border merger</p> <p>A) I only B) II only C) III only D) I and IV only</p> <p>2. Daimler-Benz's acquisition of Chrysler is an example of:</p> <p>(I) Horizontal merger (II) Conglomerate merger (III) Cross-border merger (IV) Vertical merger</p> <p>A) I only B) II only C) I and III only D) IV only</p> <p>3. Pfizer's acquisition of Pharmacia is an example of:</p> <p>(I) Horizontal merger (II) Vertical merger (III) Conglomerate merger</p> <p>A) I only B) II only C) III only D) None of the given ones</p> <p>4. The merger of J.P. Morgan and Bank One is an example of:</p> <p>(I) Cross-border merger (II) Horizontal merger (III) Conglomerate merger (IV) Vertical merger</p> <p>A) I only B) II only C) III only D) I and III only</p> <p>5. The following reasons are good motives for mergers except:</p>	2 X 10 = 20	CO1

	<p>(I) Economies of scale (II) Complementary resources (III) Diversification (IV) Eliminating Inefficiencies A) I only B) II only C) III only D) I, II, and IV only</p> <p>6. The following are good reasons for mergers: (I) Economies of scale (II) Economics of vertical integration (III) Complementary resources (IV) Surplus funds (V) Eliminating inefficiencies (VI) Industry consolidation A) I only B) I, II, and III only C) I, III, IV, and V only D) I, II, III, IV, V, and VI</p> <p>7. Firm A is planning to acquire Firm B. If Firm A prefers to make a cash offer for the merger it indicates that: A) Firm A's managers are optimistic about the post merger value of A B) Firm A's managers are pessimistic about the post merger value of A C) Firm A's managers are neutral about the post merger value of A D) None of the above</p> <p>8. The acquisition of stock has the advantage of: A) No shareholder meeting to vote is necessary B) Minority shareholders may exist C) Opening the bidding to others D) All of the above E) None of the above</p> <p>9. Compensation paid to top management in the event of a takeover is called a: A) Poison pill B) Golden parachute C) Self-tender D) Buyout</p> <p>10. A conglomerate merger is one in which a buyer buys a closely related firm. A) True B) False</p>		
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SECTION B

(20 Marks)

Q.2.	How's a merger different from an acquisition?	5	CO2
Q.3.	A company with a higher p/e acquires one with a lower p/e – state whether is this accretive or dilutive?	5	CO2
Q.4.	What is a successful acquisition?	5	CO2
Q.5.	In which type of merger a completely new firm is built and both the acquiring and the acquired firms cease to exist? OR	5	CO3

	If Microsoft were to acquire U.S. Airways, the acquisition would be classified as which type of merger?		
SECTION-C		(30 Marks)	
Q.6.	Given the case of an acquisition, what would you consider and why – the equity value or the enterprise value?	10	CO3
Q.7.	_____ merger is when a private company – to automatically become a publicly traded company, it buys a public company– and it does not have to undertake initial public offer. Explain the same.	10	CO3
Q.8.	Operating synergies are those synergies that allow firms to increase their operating income from existing assets, increase growth or both. We can categorize operating synergies into four types. Explain.	10	CO4
SECTION-D		(30 Marks)	
Q.9.	To avoid such hostile takeovers, the management opts some defence measures. These measures can be enacted either before the offer of the acquirer (Pre-offer) or after it (Post-offer). Illustrate pre and post takeover defence strategies.	15	CO4
Q.10.	Companies can grow in various ways, such as by increasing their workforce, launching new services or products, expanding marketing, or reaching new customers. However, the abovementioned growth methods are often less exciting to investors. Apart from rapid growth, synergistic acquisitions can offer other significant benefits such as economies of scale and increased market share. However, the acquisition of another company is a major decision that needs sound financial resources. List the popular acquisition financing structures that are available to companies.	15	CO4

Name:
Enrolment No:



UNIVERSITY OF PETROLEUM AND ENERGY STUDIES
End Semester Examination, December 2019

Course: FINANCIAL MODELLING
Program: B.COM(HONS)
Course code: FINC2021
Instructions:

Semester: 3RD
Time: 03 Hours
Max. Marks: 100

SECTION A (20 Marks)
Multiple choice questions

		Marks	CO
Q.1.	<p>1. When a range is selected, how can you activate the previous cell? a) Press the Alt key b) Press Enter c) Press Tab d) None of above</p> <p>2. Which of the cell pointer indicates you that you can make selection? a) small thin plus icon b) Mouse pointer with anchor at the tip c) Doctor's symbol d) none of above</p> <p>3. You can auto fit the width of column by a) double click on the cell pointer in worksheet b) double clicking on the column name on column header c) double clicking on the column left border of column header d) double clicking on the column right border of column header</p> <p>4. You can select a single range of cells by a) clicking the upper left cell in a group of cells and then pressing the shift key while clicking the lower right cell in a group of cells b) pressing the Ctrl key while dragging over the desired cells c) pressing the shift key and an arrow key d) dragging over the desired cells</p> <p>5. You can use the drag and drop method to a) copy cell contents b) move cell contents c) add cell contents d) a & b</p> <p>6. Which symbol must all formula begin with? a) = b) + c) (d) @</p> <p>7. What does COUNTA () function do? a) counts cells having alphabets b) counts empty cells c) counts cells having number d) counts non-empty cells</p> <p>8. What is the short cut key to highlight the entire column? a) Ctrl+Space bar b) Ctrl+C c) Ctrl+Page up d) Ctrl+Enter</p> <p>9. The numbers in our worksheet look like this: You want them to look like this: \$1,000. How can you accomplish this? a) select format>money from the menu b) click the currency style button on the formatting toolbar c) you have to retype everything and manually add the dollar signs, commas, decimals d) none of these</p> <p>10. Excel worksheet cells work very similarly to what common element of the windows graphical user interface a) option buttons b) list boxes c) text boxes d) combo boxes</p>	2 X 10 = 20	CO1,2,3

SECTION B (20 Marks)

	PARTICULARS	SALES		
	Laptop	234521		
	Mobile	475389		
	LED TV	53600		

	Tab	344679	
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Q.2.	a) find the sales of toothpaste. b) find the sales less than 350000. c) find the sum of sales value if sales is >250000. d) counts number of cells that are not empty. e) calculate the monthly installment to be paid on a loan of Rs 10000 @ 0.5% p.m. for 5 months.	5 X 4 = 20	CO2,3
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SECTION-C (30 Marks)

	Sales	Commission	
	10-50	3%	
	51-100	5%	
	101-150	7%	
	Over 150	10%	

Q.3.	Calculate commission rate based on higher number in either of the months.																	
	<table border="1"> <tr> <td>Seller</td> <td>November</td> <td>December</td> </tr> <tr> <td>Ram</td> <td>150</td> <td>145</td> </tr> <tr> <td>Shyam</td> <td>95</td> <td>120</td> </tr> <tr> <td>Rohan</td> <td></td> <td>80</td> </tr> <tr> <td>Sohan</td> <td>45</td> <td></td> </tr> </table>	Seller	November	December	Ram	150	145	Shyam	95	120	Rohan		80	Sohan	45		10	CO3,4
Seller	November	December																
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	Following are the details of 2 projects having same investment requirement of Rs 100000:		
	Years	Cash flow of Project A	Cash flow of Project B
	1	50000	-
	2	70000	78000
	3	75000	80000
	4	82000	85000

Q.4.	Identify if project company should accept on the basis of: a) NPV b) IRR	10 X 2 =20	CO3,4
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SECTION-D (30 Marks)

Q.5.	From the following financial information of the company as on 31 st March 2019 and 2018, you are required to prepare cash flow statement:																																																		
	<table border="1"> <tr> <td>Liabilities</td> <td>2018</td> <td>2019</td> <td>Assets</td> <td>2018</td> <td>2019</td> </tr> <tr> <td>Equity</td> <td>14000</td> <td>24000</td> <td>Fixed assets</td> <td>20000</td> <td>24000</td> </tr> <tr> <td>P/L</td> <td>7000</td> <td>9600</td> <td>(-) Dep</td> <td>(4000)</td> <td>(8000)</td> </tr> <tr> <td>Debentures</td> <td>20000</td> <td>20000</td> <td></td> <td>16000</td> <td>16000</td> </tr> <tr> <td>Creditors</td> <td>14000</td> <td>12000</td> <td>Cash</td> <td>16000</td> <td>20000</td> </tr> <tr> <td></td> <td></td> <td></td> <td>Stock</td> <td>14000</td> <td>16000</td> </tr> <tr> <td></td> <td></td> <td></td> <td>Debtors</td> <td>7000</td> <td>12000</td> </tr> <tr> <td></td> <td></td> <td></td> <td>Discount on debentures</td> <td>2000</td> <td>1600</td> </tr> </table>	Liabilities	2018	2019	Assets	2018	2019	Equity	14000	24000	Fixed assets	20000	24000	P/L	7000	9600	(-) Dep	(4000)	(8000)	Debentures	20000	20000		16000	16000	Creditors	14000	12000	Cash	16000	20000				Stock	14000	16000				Debtors	7000	12000				Discount on debentures	2000	1600		
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