

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

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	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	СОЗ
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