

Name:

Enrolment No:



UNIVERSITY OF PETROLEUM AND ENERGY STUDIES

End Semester Examination, May, 2019

Course: LAW ON CORPORATE FINANCE

Program: BBA.LLB (BFIL)

Course Code: LLBL416

Instructions : As per each section mentioned below

Semester: 7

Time: 03 hrs.

Max. Marks: 100

SECTION A (ATTEMPT ANY FIVE)

10 Marks

		Marks	CO
Q1.	What is EPS and how is it calculated?	2	CO1
Q2.	Define NBFC – CIC company.	2	CO4
Q3.	Equity is a liability. Explain.	2	CO2
Q4.	What is a Stock Split and Stock Dividend?	2	CO1
Q5.	What is the role of NCLT in corporate insolvency?	2	CO1
Q6.	Define MM approach to capital structure.	2	CO1

SECTION B (ATTEMPT ANY TWO)

20 Marks

Q7.	How companies would reduce various risks, explain in light of futures and forwards transactions?	10	CO3
Q8.	Why companies raise funds through ADR and GDR ? Explain.	10	CO2
Q9.	What are the various sources of finance in a company? Explain if they are classified under assets or liabilities.	10	CO1

SECTION-C (ATTEMPT BOTH)

20 Marks

Q10.	Cost of Capital is crucial in deciding the optimal source of funds. Explain WACC.	10	CO1
Q11.	Explain the methods used for valuations of companies by financial analysts considering the aspect of Share-holder wealth maximization.	10	CO1

SECTION-D (ATTEMPT ALL)

50 Marks

Q12.	Company 'Amrit foods Ltd' has sales of Rs 50 Lacs for year ended March 2018. And net profit being 20 Lacs for the same year. There is a growth projection for both sales & profits at the rate of 15% annually. Calculate the projected sales and profits	25	CO1
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	<p>for the year 2019, 2020 and 2021.</p> <p>(a) Calculate the net profit margin also upcoming years. And Create MIS reports for given financials. (10m)</p> <p>(b) Explain importance of Financial Modeling in Corporate Finance? (10m)</p> <p>(c) Elaborate how is flexible budget different from financial modelling? (5m)</p>		
<p>Q13.</p>	<p style="text-align: center;">CASE STUDY</p> <p style="text-align: center;"><i>Announcement Regarding Closure of Merger Between Daiichi Sankyo Subsidiary Ranbaxy and Sun Pharma</i></p> <p>Tokyo, Japan (March 25, 2015) – Following its announcement of April 7, 2014, that Sun Pharmaceutical Industries Ltd. (“Sun Pharma”) was to acquire Ranbaxy Laboratories Limited (“Ranbaxy”) through a merger entailing an all-stock transaction, Daiichi Sankyo Company, Limited (“Daiichi Sankyo”) today announced that the aforementioned merger process has been completed.</p> <p>Through this merger completion, Ranbaxy will be delisted from the Indian Stock Exchanges, with Ranbaxy shareholders receiving 0.8 shares of Sun Pharma for each share of Ranbaxy.</p> <p>Daiichi Sankyo currently holds about 63.4% of Ranbaxy shares, which at the current rate equates to an estimated profit around 340 billion yen. This profit margin is due to be included as profit/loss related to discontinued operation in the consolidated results of Daiichi Sankyo for March 2015. The full earnings for this fiscal year are only forecasts for the Daiichi Sankyo Group, so this profit margin will not be included in the profits of consolidated result forecasts for March 2015.</p> <p>Through the merger, Sun Pharma becomes the fifth-largest specialty generics company in the world and the largest pharmaceutical company in India. The finalized profit and loss amount will be revealed at the time of the financial statements announcement for March 2015.</p> <p>Source: https://www.daiichisankyo.com/media_investors/media_relations/press_releases/detail/006262.html</p> <p>a.) Name key financial parameters considered in such corporate restructuring? (5m)</p> <p>b.) What major factors drive mergers and acquisitions? (10m)</p> <p>c.) Name and explain the role of statutory bodies in corporate restructuring? (10m)</p>	<p style="text-align: center;">25</p>	<p style="text-align: center;">CO2</p>