

Registration no:

--	--	--	--	--	--	--	--	--	--

Total Number of Pages: 2

MBA
MGT405B

4th SEMESTER BACK EXAMINATION 2016-17
CORPORATE RESTRUCTURING AND VALUATION

Branch: MBA

Time: 3 Hours

Max Marks: 70

Q.CODE:Z762

Answer Question No.1 which is compulsory and any five from the rest.
The figures in the right hand margin indicate marks.

- Q1 Answer the following questions: (2 x 10)**
- a) What are the different kinds of Restructuring?
 - b) What are the ways by which changes in company structure be effected?
 - c) What are the two forms that merger or amalgamation may take?
 - d) What is stand alone valuation?
 - e) When does a merger result into an economic advantage?
 - f) When does a merger deal have a boot strapping effect on the company's EPS?
 - g) What do you mean by "Tender offer"?
 - h) When Spin offs are not taxed?
 - i) What are the main characteristics of LBO?
 - j) What does valuation mean in the context of merger or takeover?
- Q2 "Corporate Restructuring increases shareholders 'wealth". Critically examine the statement contrasting demerger and buy-back as tools of restructuring. (10)**
- Q3 What are the various strategic approaches to Corporate Restructuring? (10)**
- Q4 What leads to the failure of a merger or acquisition? How should a company ensure that merger or acquisition is successful? (10)**
- Q5 Explain and illustrate the impact of Mergers on EPS, MPS and Book value per shares of the Acquiring company. (10)**
- Q6 (a) What is meant by strategic alliance and what are its features? (5)**
(b) "A Conglomerate merger is neither a type of horizontal merger nor a vertical merger". Discuss. (5)
- Q7 What are the problems of post-merger integration? How can integration be achieved? (10)**
- Q8 If the required rate of return on a common stock were to increase, what would you expect to happen to the price of a share of the stock (assuming no other changes).ABC Company paid Rs.1.5 of dividends this year. If its dividends are expected to grow at a rate of 3% per year, what is the expected dividend per share for ABC co. five years from today? (10)**