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Total number of printed pages :02

MGT 405B

**FOURTH SEMESTER EXAMINATION, 2016**  
**CORPORATE RESTRUCTURE AND VALUATION**

**BRANCH : MBA**

**QUESTION CODE : W376**

**Max marks: 70**

**Time: 3 Hours**

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

Q.1 Answer the following : **2x10**

- (a) What is standalone valuation ?
- (b) What is fair value of share ?
- (c) What is pricing multiples ?
- (d) What is slump sale ?
- (e) What is equity carve out ?
- (f) What is financial reconstruction ?
- (g) What is Reverse Merger and Demerger ?
- (h) What is management buy in and M Buyout ?
- (i) What is group reorganization ?
- (j) What is a sell off ? Give an example.

Q.2 Describe two theories asserting the importance of dividend policies on valuation of shares. **10**

Q.3 Write short notes (any two) : **10**

- (a) Equity value
- (b) Value of debt
- (c) Enterprise value

Q.4 ABC Ltd. Is intending to acquire substantial shares in Z Ltd. to acquire control in the company, The beta factor of Z Ltd.'s shares is 1.60 and its current market price is Rs.190 and the company is consistently paying a dividend of Rs.46 p.a. The risk free market rate of interest is 12% and the rate of return expected on such securities in the market is 18%. **10**

You are required to value the share of Z Ltd.

Q.5 Explain the following valuation models.

- a) CAPM
- b) Gordon's dividend growth model.

Q.6 What is corporate restructuring ? Explain the motives of such restructuring. **10**

Q.7 Discuss the corporate restructuring techniques. **10**

- (a) Joint Ventures Vs Business Alliances.
- (b) Diversification Vs Divestment Strategies.

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