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## School of Business

Master of Business Administration MBA Dual Specialization  
Mid Term Examination - Mar 2024

Duration : 90 Minutes  
Max Marks : 50

### Sem IV - MBFI6016 - Mergers Acquisitions Corporate Restructuring and Valuation

General Instructions

Answer to the specific question asked

Draw neat, labelled diagrams wherever necessary

Approved data hand books are allowed subject to verification by the Invigilator

- 1) Discuss the significance and potential advantages of a joint venture in business. K5 (5)
- 2) Make use of the concept of synergy and describe its types in the context of mergers and acquisitions, providing relevant examples. K3 (6)
- 3) Distinguish between a merger and an acquisition, providing appropriate examples to illustrate each concept. K4 (8)
- 4) ABC Ltd, a publicly traded company listed on the Indian stock exchange, is considering a buyback of its shares to return surplus cash to shareholders and enhance shareholder value. The company intends to follow the key guidelines set by SEBI for the Buy Back of Shares in 1998. K3 (9)

#### Questions:

1. What are the primary objectives behind SEBI's guidelines for the Buy Back of Shares in 1998, and how do they aim to protect the interests of shareholders and the market? (3)

2. According to SEBI's guidelines, what is the maximum limit on the quantum of shares that ABC Ltd can buy back, and how is this limit determined? Explain the significance of setting such limits in the buyback process. (3)

3. Under the 1998 guidelines, outline the conditions that ABC Ltd must fulfill regarding the sources of funds for the buyback. How do these conditions ensure financial prudence and transparency in the buyback process? (3)

- 5) In the dynamic landscape of the retail industry, Company A, an established department store chain, is eyeing strategic growth opportunities. Company B, a flourishing online retail platform, has carved a niche in e-commerce. Recognizing the shifting consumer preferences and the need for omnichannel presence, Company A contemplates a merger with Company B. A merger is a strategic business combination where two or more companies consolidate their operations to form a single entity. In this case, Company A and Company B aim to unite their strengths in traditional retail and e-commerce to create a more comprehensive retailing platform. In the context of business operations, could you explain the concept of merger, delineate its various types, and provide practical insights into the rationale behind companies opting for mergers? K5 (10)
- 6) In practical business scenarios, elaborate on the concept of capital reduction, outlining the process involved, identifying key reasons motivating companies to pursue capital reduction, and discussing the potential benefits that organizations can derive from such strategic financial decisions. K6 (12)