



Name:

Enrolment No:

**UNIVERSITY OF PETROLEUM AND ENERGY STUDIES**

**End Semester Examination, May 2022**

**Course : Mergers, acquisitions and Corporate restructuring**

**Semester : 4th**

**Program: BBA FAS**

**Time : 03 hrs.**

**Course Code : FINC 2071**

**Max. Marks: 100**

**Instructions: All questions are compulsory**

**SECTION A**  
**10Q x 2M =20Marks**

S. No.		Marks	CO
Q1	The _____ is calculated by dividing market price per share by earning per share a. Price earning ratio b. Current ratio c. Either a or b d. None of these	2	1
Q2	_____ is also called as swap ratio a. Exchange ratio b. Current ratio c. Both a and b d. None of these	2	2
Q3	_____ shareholders are paid after paying interest to debenture holders and dividend to preference shareholders. a. Equity b. Preference c. Both a and b d. None of these	2	4
Q4	X gives 4,000 shares to Y as a consideration for 2,000 shares The exchange ratio in this case is a. 2 : 1 b. .50 : 1 c. 4 : 1 d. None of these	2	3
Q5	The value of a unit of _____ is determined in terms of Net asset value. a. Mutual fund b. Share value c. Par value d. None of these	2	4

Q6	When the debentures are redeemed at a discount it is a ..... for the company which issued debentures. a. Loss b. Profit c. Neither profit nor loss d. None of these	2	1
Q7	Debenture holders are the _____ of a company a. Suppliers b. Shareholders c. Owners d. None of these.	2	1
Q8	When the mutual funds are sold at a higher price which is more than the purchase price it is a a. Profit b. Loss c. Capital gain d. Dividend	2	2
Q9	_____ can be a horizontal, vertical or conglomerate. a. Merger b. Franchise c. Joint venture d. All of the above	2	3
Q10	When the debentures are issued at more than the face value they are deemed to be issued at a a. Discount b. Premium c. Par d. Any of the above	2	2

**SECTION B**  
**4Q x 5M = 20 Marks**

Q11	What are the tips adopted by a firm while doing corporate restructuring? Explain in detail	5	4
Q12	Prakash limited issued 5,000 6% preference shares of Rs.100 each redeemable at a discount of 12%. The issue expenses are 2% of face value. Calculate cost of preference capital.	5	3
Q13	What is abuse of dominance in competition law. Describe it in brief.	5	1
Q14	Explain the concept of Competition commission.	5	1

**SECTION-C**  
**3Q x 10M = 30 Marks**

Q15	The following information is provided related to the acquiring firm Tata	10	3
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	Limited and the target Firm Birla Limited :																	
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	Calculate market value of merged firm.																	
Q16	Write short notes on  a. Anti competitive agreement b. Ways of corporate restructuring	<b>10</b>	<b>2</b>															
Q17	What is meant by Earning before interest and taxes and how it is calculated. Explain with the help of statement of cost and profit.	<b>10</b>	<b>1</b>															
<b>SECTION-D</b>																		
<b>2Q x 15M = 30 Marks</b>																		
Q18	Rajesh buys a mutual fund unit (face value Rs 10) at Rs 13.75. He receives a dividend of 18.5%, which he reinvests in the fund , at prevailing NAV of Rs 16.5. At the end of the year, NAV of the fund is Rs 21.65. What is the rate of return to the investor, using the total return with reinvestment method?	<b>15</b>	<b>2</b>															
Q19	ABC ltd wants to acquire PQR ltd. and has offered a swap ratio of 2:1 (two shares for every one share of T Ltd.) Calculate  a. Number of shares to be issued by ABC ltd to PQR ltd b. EPS of ABC ltd after acquisition c. Market value of merged firm.  Following information is provided:	<b>15</b>	<b>4</b>															
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