Seat No.:	Enrolment No.

Subject Code: 840201

Subject Name: Corporate Restructuring

GUJARAT TECHNOLOGICAL UNIVERSITY

MBA - SEMESTER-IV • EXAMINATION - SUMMER • 2014

Date: 23-05-2014

	-	om		To	otal Marks: 70		
	Attempt all question Make suitable assur	nptions wherever necessa	ary.				
(a)	"Merger and Acquisition are primarily a growth strategy." Explain by citing of different motives of Merger and Acquisition.						
(b)	What is corporate restructuring? What are the different forms of corporate restructuring? Explain the terms Mergers, Acquisitions, Consolidations and Joint Ventures with suitable examples.						
(a)	Describe the provision relating to minimum offer price and mode of payment of 0						
(b)	consideration under SEBI Takeover code. What is buyback of shares? Why do companies go for it? Explain various modes in which buyback can be done.						
(b)	Evaloin the toy imm	OR	d damana	ama vyiith a	vitable avamulas	07	
	-		_		-		
(a)	-	_			reconstruction and	07	
(b)	M Ltd wants to takeover N Ltd.						
		Particulars	M Ltd	N Ltd			
	4 70 4						
	`		•	of equity	, ER is based on		
		at should be the ER?	PS that it	should no	ot be diminished by		
(a)	According to $AS - 14$, amalgamations are of two types. Mention the conditions for qualifying any amalgamation in the nature of merger. What are the						
(b)	accounting treatments for the same? Explain with appropriate example. What are the tactics a company can use as a defense against threat of an acquisition?						
(a) (b)	What are the characteristics of LBO? Mention its process and rationale in detail. What are divestitures? Why do companies go for divestitures? OR						
(a)							
(b)	What are the different objectives of CBA? Also narrate the difficulties faced by a company in Cross Border Acquisitions.						
(a) (b)	What are the different funding options available for Mergers and Acquisitions? Explain the different phases of valuation process of the target company. OR						
	(a) (b)	1. Attempt all question 2. Make suitable assur 3. Figures to the right (a) "Merger and Acque different motives of the restructuring? Exployentures with suitate restructuring? Exployentures with suitate (a) Describe the provision consideration under the buyback of in which buyback of i	1. Attempt all questions. 2. Make suitable assumptions wherever necess. 3. Figures to the right indicate full marks. (a) "Merger and Acquisition are primarily a different motives of Merger and Acquisition (b) What is corporate restructuring? What a restructuring? Explain the terms Mergers, a Ventures with suitable examples. (a) Describe the provision relating to minimum consideration under SEBI Takeover code. (b) What is buyback of shares? Why do compain which buyback can be done. OR (b) Explain the tax implications for mergers and (a) What are the powers of high court was amalgamations under section 394 of Compaint (b) M Ltd wants to takeover N Ltd. Particulars EAT No. of Equity Shares MPS 1. If the merger goes through by eacurrent price, what is new EPS of M. 2. N Ltd. wants to be sure about its Early merger, what should be the ER? OR (a) According to AS – 14, amalgamations are for qualifying any amalgamation in the accounting treatments for the same? Explain the accounting treatments for the same? Explain the different objectives of LBO? Ment (b) What are the characteristics of LBO? Ment (b) What are the different objectives of CBA? company in Cross Border Acquisitions. (a) What are the different funding options avail (b) Explain the different phases of valuation prices of capital tax in the different phases of valuation prices.	tructions: 1. Attempt all questions. 2. Make suitable assumptions wherever necessary. 3. Figures to the right indicate full marks. (a) "Merger and Acquisition are primarily a growth stifferent motives of Merger and Acquisition. (b) What is corporate restructuring? What are the different motives with suitable examples. 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Mention the conditions for qualifying any amalgamation in the nature of merger. What are the accounting treatments for the same? Explain with appropriate example. (b) What are the characteristics of LBO? Mention its process and rationale in detail. (b) What are the characteristics of LBO? Mention its process and rationale in detail. (b) What are the characteristics of CBA? Also narrate the difficulties faced by a company in Cross Border Acquisitions. (a) What are the different bijectives of CBA? Also narrate the difficulties faced by a company in Cross Border Acquisitions.	

(Rs. in '000)

Liabilities	A Ltd.	B Ltd.	Assets	A Ltd.	B Ltd.
Equity shares	5000	3000	Building	2500	1550
14% Preference	2200	1700	Plant	3250	1700
Shares					
General Reserve	500	250	Furniture	575	350
Export Reserve	300	200	Investment	700	500
Investor	600	100	Stock	1250	950
Allowance					
P & L Ac.	150	500	Debtors	900	1030
13% Debentures	500	350	Cash	725	520
Trade Creditors	450	350			
Other Liabilities	200	150			
	9900	6600		9900	6600

A Ltd. takeover B Ltd. on 10/04/2010. The deal is as follows:

- 1. Issue of 330000 equity shares of Rs.10 each at par to the equity shareholders of B Ltd.
- 2. Issue of 15% Preference Shares of Rs.100 each to discharge preference shareholders of B Ltd. at 10% premium.
- 3. The debenture holders of B Ltd. will be converted into equivalent number of debenture of A Ltd.
- 4. The statutory reserves of B Ltd. are to be carried forward for another 2 years.

Show the opening balance sheet of A Ltd after amalgamation on assumption that amalgamation is in the nature of merger.

(b) Briefly explain the procedure to be followed by a company planning for a 07 merger.
