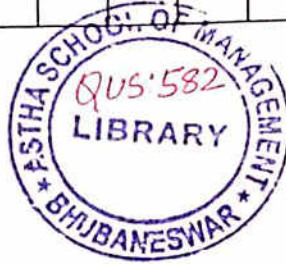


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FM



Total Number of Pages: 02

Course: MBA/MBAP
Sub_Code: 18MBA403B/18PTMBA603B

4th / 6th Semester Regular/Back Examination: 2024-25

SUBJECT: Mergers and Corporate Restructuring

BRANCH(S): BA, FM, FM&HRM, GM, HRM, IB, LSCM, MBA, MBA (M & F), MM, RM, MBA(PT)

Time: 3 Hours

Max Marks: 100

Q.Code: S197

Answer Question No.1 (Part-I) which is compulsory, any eight from Part-II and any two from Part-III.

The figures in the right hand margin indicate marks.

Part-I

(2 x 10)

Q1 Answer the following questions:

- What are different types of growth strategies available for corporate?
- What is internal restructuring of companies?
- When rescue finance is needed?
- What is MBO?
- What is the concept of due diligence?
- What is employee buyout?
- What is conglomerate growth strategy?
- Mention few reasons of merger failures.
- Define dividend growth model for business valuation.
- How strategic intent leads to corporate restructuring?

Part-II

(6 x 8)

Q2 Only Focused-Short Answer Type Questions- (Answer Any Eight out of Twelve)

- What is hostile takeover? What are the conditions that prevail under hostile takeover of a Company?
- What is asset divestiture? Why companies divest their assets?
- What kind of take over defense can be adopted by a corporate?
- Explain various characteristics of the corporate restructuring.
- Differentiate between downsizings and lay off strategy.
- What is reverse merger? Explain its advantages and disadvantages.
- What are the major factors considered while selecting a target company for merger?
- What is co-insurance concept and how it is useful in merger activity?
- Explain the conditions where the restructuring of management of the organizations necessary.
- What do you mean by LBO? What are the main provisions of the LBO?
- What is spin offs? How it affects the shareholders?
- What are the major post merger issues faced by Indian companies?

Part-III

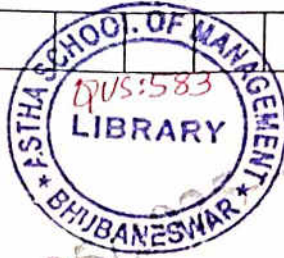
Only Long Answer Type Questions (Answer Any Two out of Four)

(16 x 2)

- Q3** Explain the concept of rescue financing. Explain in detail how with the help of rescue financing a corporate can get a better execution of its merger activities. **(16)**
- Q4** a) What are the various income based valuation models that can be used to evaluate a target company? **(10 + 6)**
b) Company X paid a dividend of Rs. 1.80 per share this year. The company expects dividends to grow in perpetuity at 5 % per year, and the company's cost of equity capital is 7 %. Calculate the Price of the share by using DDM.
- Q5** Why cross boarder merger and acquisition is adopted by Corporate? Explain in detail the advantages and disadvantages of cross boarder merger. **(16)**
- Q6** What are the major regulation that governs the merger activity in India? Explain the SEBI take Over Code with recent provisions. **(16)**

Registration No.:

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Total Number of Pages: 02

Course: MBA
Sub_Code: 18MBA402B4th Semester Regular/Back Examination: 2024-25

SUBJECT: BEHAVIOURAL FINANCE

BRANCH(S): BA, FM, FM&HRM, GM, HRM, IB, LSCM, MBA, MBA (M & F), MM, RM

Time: 3 Hours

Max Marks: 100

Q.Code: S099

Answer Question No.1 (Part-I) which is compulsory, any eight from Part-II and any two from Part-III.

The figures in the right hand margin indicate marks.

Q1

Answer the following questions:

Part-I

(2 x 10)

- I use trend analysis for some stocks and based on the analysis, I invest in the stock of the same sector.
- I compare the current stock price with the 52 week high and low for my next investment.
- I use my stock market knowledge and predictive skills to time the market so that my portfolio shall outperform the market return.
- I am able to predict the end of a bullish or bearish run on NSE.
- When I foresee a sure gain, I don't take a chance, so I sell to avoid risk of a fall.
- I have a tendency to hold stocks as I feel the pain of seeing my stock falling more than the joy of seeing its rise.
- I am concerned with the performance of each stock individually than the portfolio as a whole.
- Other investors' decisions of buying and selling stocks have impacts on my investment decisions.
- I do not sell the stock gifted by my father to late father even if it has gone up substantially.
- I love to invest in shares when I see a 60% prospect of 15% gain than in shares where I see a 40% chance of losing 15% return.

Q2

Only Focused-Short Answer Type Questions- (Answer Any Eight out of Twelve)

Part-II

(6 x 8)

- Distinguish between BFMI and BFMA
- What is ambiguity aversion bias? Explain with an example bring out the risk perspectives of the investor.
- Who is an average investor? What are the characteristics to identify an average investor?
- Discuss how psychology is one of the building blocks of behavioural finance.
- Explain in detail the model of prospect theory.
- Every individual, irrespective of his education has his own mental accounting. Do you agree with this statement? Justify your answer.

- g) Explain how and when people exhibit the phenomenon of gambler's fallacy
- h) Write a short note on confirmation bias.
- i) What are the external factors that impact the behavioural bias?
- j) What is corporate behavioural finance?
- k) Explain the dynamism of overconfidence in affecting financial decisions
- l) Suppose you have purchased 100 shares each of the two stocks A and B at the rate of Rs. 300 and Rs. 100 respectively. In the first year, the rate of A has become Rs. 120 and that of B Rs. 320. You need Rs. 30,000 suddenly to meet some medical emergency. You want to dispose certain shares. Explain the best course of action with proper assumption and justification.

Part-III

Only Long Answer Type Questions (Answer Any Two out of Four)

(16 x 2)

- Q3 Every investor go through an emotional setback while investing in the shares. Elucidate such setbacks. (16)
- Q4 Discuss the essential ingredients to become a successful investor. (16)
- Q5 What is a bubble? Explain how it is created. What should you do to avoid being a party to such bubble? (16)
- Q6 Explain the following: (16)
 - a. Rational decision making process
 - b. Types of investors.

- h) What are the components of agricultural income? What are its tax liability?
- i) Discuss the income tax provision with respect to the investment allowance for investment in a new plant and machinery.
- j) What are the positive impacts of GST in India?
- k) What is VAT? Discuss the applicability of the same.
- l) What do you understand by impact and incidence of income Tax?

Part-III

Only Long Answer Type Questions (Answer Any Two out of Four)

(16 x 2)

- | | | |
|----|---|------|
| Q3 | Explain the deductions available while computing income from house property. | (16) |
| Q4 | Discuss the salient features of GST in India. | (16) |
| Q5 | What is a Provident Fund? Explain the different types of Provident Fund schemes available to employees by the employers. | (16) |
| Q6 | A company wants to set up an in-house scientific research unit in a new technology. The objective is to enhance its production capacity and quality products. Discuss the tax provisions for the expenditure incurred during the previous year. | (16) |