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NOIDA INSTITUTE OF ENGINEERING AND TECHNOLOGY, GREATER NOIDA
(An Autonomous Institute Affiliated to AKTU, Lucknow)

MBA IEV

SEM: III - THEORY EXAMINATION (2025 - 2026)

Subject: Mergers and Acquisitions

Time: 3 Hours

Max. Marks: 100

General Instructions:

IMP: Verify that you have received the question paper with the correct course, code, branch etc.

1. This Question paper comprises of **three Sections -A, B, & C**. It consists of Multiple Choice Questions (MCQ's) & Subjective type questions.

2. Maximum marks for each question are indicated on right -hand side of each question.

3. Illustrate your answers with neat sketches wherever necessary.

4. Assume suitable data if necessary.

5. Preferably, write the answers in sequential order.

6. No sheet should be left blank. Any written material after a blank sheet will not be evaluated/checked.

SECTION-A

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1. Attempt all parts:-

- 1-a. M&A can be classified into which of the following categories (CO1,K1) 1
- (a) Horizontal, Vertical, and Conglomerate
- (b) Primary, Secondary, and Tertiary
- (c) Domestic, Foreign, and Global
- (d) Strategic, Tactical, and Operational
- 1-b. The following is NOT a type of merger. (CO1,K1) 1
- (a) Conglomerate merger
- (b) Horizontal merger
- (c) Vertical merger
- (d) Circular merger
- 1-c. The primary objective of a merger (CO2,K2) 1
- (a) To increase market share
- (b) To reduce costs
- (c) To improve financial performance
- (d) To achieve economies of scale
- 1-d. The following laws governs mergers in India. (CO2, K1) 1
- (a) Companies Act, 2013
- (b) Competition Act, 2002
- (c) Securities and Exchange Board of India (SEBI) Regulations
- (d) All of the above
- 1-e. The process of acquiring control of a company through the purchase of its shares. 1

- (CO3, K1)
- (a) Takeover
 - (b) Acquisition
 - (c) Merger
 - (d) Demerger
- 1-f. The minimum percentage of shares that an acquirer must acquire to trigger an open offer. (CO3,K1) 1
- (a) 0.15
 - (b) 0.2
 - (c) 0.25
 - (d) 0.3
- 1-g. The following valuation methods is based on the value of the company's assets. (CO4, K1) 1
- (a) Discounted cash flow (DCF) analysis
 - (b) Comparable company analysis
 - (c) Precedent transaction analysis
 - (d) Asset-based valuation
- 1-h. The following valuation methods is based on the present value of expected future cash flows. (CO4, K1) 1
- (a) Comparable company analysis
 - (b) Precedent transaction analysis
 - (c) Discounted cash flow (DCF) analysis
 - (d) Asset-based valuation
- 1-i. The following is a type of corporate insolvency. (CO5, K1) 1
- (a) To regulate insolvency and bankruptcy proceedings
 - (b) To facilitate mergers and acquisitions
 - (c) To provide tax benefits to companies
 - (d) To promote competition
- 1-j. The following is a key consideration in drafting a shareholder scheme. (CO5, K1) 1
- (a) To approve the tax implications of the transaction
 - (b) To regulate the tax implications of the transaction
 - (c) To investigate the tax implications of the transaction
 - (d) To enforce tax laws and regulations
2. Attempt all parts:-
- 2.a. Describe Reverse Merger. (CO1,K1) 2
 - 2.b. Define Synergy in M & A. (CO2, K2) 2
 - 2.c. Define hostile takeover. (CO3,K5) 2
 - 2.d. Explain Dividend payout Ratio. (CO4, K1) 2
 - 2.e. Write different method of valuation under the Asset based valuation (CO5,K3) 2

SECTION-B

30

3. Attempt all parts:-	
3.a. Answer any <u>one</u> of the following:-	
3.a.(i) Enumerate the objectives of Merger (CO1,K4)	6
3.a.(ii) Write a note on various challenges of merger. (CO1, K2)	6
3.b. Answer any one of the following:-	
3.b.(i) Mention the reason for acquisitions failure. (CO2,K3)	6
3.b.(ii) Define forward and backward vertical merger (CO2,K4)	6
3.c. Answer any one of the following:-	
3.c.(i) Explain the role of the Securities and Exchange Board of India (SEBI) in regulating takeovers. (CO3, K2)	6
3.c.(ii) Discuss the impact of takeovers on shareholders, employees, and the economy. (CO3, K4)	6
3.d. Answer any one of the following:-	
3.d.(i) Explain the need of valuation of firm (CO4,K1)	6
3.d.(ii) Explain EBIT. (CO4, K2)	6
3.e. Answer any one of the following:-	
3.e.(i) Discuss the key considerations and provisions that should be included in a shareholder scheme. (CO5, K2)	6
3.e.(ii) Describe the tax implications of a slump sale in India. (CO5, K4)	6
SECTION-C	50
4. Answer any <u>one</u> of the following:-	
4-a. Discuss the challenges and risks associated with corporate restructuring, including cultural integration, financial risks, and regulatory compliance. (CO1,K2)	10
4-b. Discuss the role of M&A as a component of corporate strategy. How does it help companies achieve their business objectives. (CO1, K2)	10
5. Answer any <u>one</u> of the following:-	
5-a. Discuss the legal aspects of merger, including the relevant laws and regulations, the role of regulatory authorities, and the procedures for obtaining approvals. (CO2,K4)	10
5-b. Evaluate the impact of mergers on the economy, including their effects on competition and employment. (CO2, K5)	10
6. Answer any <u>one</u> of the following:-	
6-a. Explain the concept of corporate demerger. Discuss the reasons for demerger and its impact on shareholders. (CO3, K2)	10
6-b. Explain the different methods of valuation and their advantages and disadvantages. (CO3, K2)	10
7. Answer any <u>one</u> of the following:-	
7-a. Describe DCF approach for valuation of a business entity including its advantages (CO4,K5)	10
7-b. Explain the concept of a leveraged buyout (LBO) and discuss the key financial characteristics of an LBO. (CO4, K2)	10
8. Answer any <u>one</u> of the following:-	

- 8-a. Discuss the role of the CCI in regulating combinations and ensuring that they do not have an appreciable adverse effect on competition. (CO5, K2) 10
- 8-b. Mico ltd. Gives the following cash flow estimates 10
2021 Rs. 2000 lakh
2024-2024 compound growth rate 6.5%
2025-2028 compound growth rate 9.5%
Apply 20% discount rate and determine the value of business on 1/1/2021
(CO5,K2)

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