

**GUJARAT TECHNOLOGICAL UNIVERSITY**  
**MBA – SEMESTER ( 4) – EXAMINATION – WINTER 2018****Subject Code:2840201****Date: 6/12 / 2018****Subject Name: Mergers and acquisition****Time:2:30pm TO 5:30pm****Total Marks: 70****Instructions:**

- 1. Attempt all questions.**
- 2. Make suitable assumptions wherever necessary.**
- 3. Figures to the right indicate full marks.**

**Q. No.1** Q1 (a) Answer following multiple choice questions by selecting correct option.**6**

1 Absorption of one firm by another such that acquired firm no longer exists is called..

1. A. acquisition of stock      B. Merger  
C. shared agreement      D. consolidation

2 Which one of following creates brand new firm by merging existing entity?

2. A. acquisition of stock      B. merger  
C. shared agreement      D. consolidation

3 A tender offer is

3. A. public offer to purchase shares of a target company      B. the last step in consolidation of two firms  
C. The initial offer made by acquiring firm to the dissenting shareholders of the acquired firm in a merger proceedings      D. An additional amount of compensation offered to a dissenting shareholders of an acquired firm in a merger.

4 Which of the following statement is correct?

4. A. In an acquisition of stock it is board approval rather than shareholders approval is required      B. the manager of a target firm rarely get involved in acquisition of stock.  
C. shareholders are not required to formally vote on acquisition of stock      D. acquisition of stock rarely result in a formal merger



(b) Write note and explain with real life example on employee stock ownership. **07**

**Q.5** ICICI bank was established in 1994, by march 2002 it has grown in to a one stop shop for all banking products. **14**  
The Industrial Credit and Investment Corporation of India ltd. (ICICI) was incorporated in 1955 and by 2002 had developed in to a diversified financial service group.  
Considering and taking the base of a bank and finance company answer following questions.  
1 Do you think it is advisable to merge a bank and finance company in Indian corporate environment?  
2 What can be the impact on shareholders in such cases?

**OR**

**Q.5** A. what valuation methods should be followed for a bank and finance company if they are decided to be merged? Why? **14**  
B. What are important SEBI rules and regulations for merger and acquisitions?

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