

GUJARAT TECHNOLOGICAL UNIVERSITY**MBA - SEMESTER-4 • EXAMINATION – SUMMER 2018****Subject Code : 840201****Date: 28/05/2018****Subject Name: Corporate Restructuring****Time: 02:30 PM To 05:30 PM****Total Marks: 70****Instructions:**

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

- Q.1** (a) What do you understand by Corporate Restructuring? What are objectives behind Corporate Restructuring? Indicate FOUR activities not considered as Corporate Restructuring. **07**
- (b) Define Acquisition & various ways to acquire over Target company. Also explain DEMERGER & its main types. **07**
- Q.2** (a) Analyze & Highlight Important features of SEBI (Securities & Exchange Board of India) Guidelines, 1998 for Buyback of Securities giving Public Announcement. **07**
- (b) Write short notes: (i) Due Diligence (ii) Divestitures (iii) Amalgamation **07**
- OR**
- (b) Which various conditions have to be satisfied for an Amalgamation to qualify as Amalgamations by ways of Merger? **07**
- Q.3** (a) Which conditions need to be satisfied under Income Tax Act to qualify as Demerger. **07**
- (b) Describe in detail about ESOP (Employee Stock Ownership plan). **07**
- OR**
- Q.3** (a) Assuming you are CEO of firm, Define Synergy & explain with examples various types of Synergies recognized by Efficiency theory. **07**
- (b) Define Grounds of Compulsory listing & Voluntary Delisting? **07**
- Q.4** (a) What is Strategic Alliance? Explain its Characteristics, types & Reasons for Success. **07**
- (b) What is ESCROW account? Describe Funding, Control Over, Utilization & Release, Forfeiture of Escrow account as per SEBI Guidelines/Regulations. **07**
- OR**
- Q.4** (a) Assuming you are Ambassador of India in China What are Cross Border M & A? Explain various Driving forces which affects Cross Border Restructuring Deals. **07**
- (b) Define LBO (Leveraged Buy-Out). Which 4 typical/ Classical LBO steps are Available for mobilizing Funds? **07**
- Q.5** (a) Viswakarma Engg. Has 4,00,000 equity shares of Rs. 100, each fully paid up. Expected earning after Tax is Rs.3,40,00,000 & current P/E Ratio is 10 multiple calculate Value of the Firm. **07**
- (b) (i) Define Joint Venture & explain characteristics of Joint Venture. **07**
(ii) Distinguish between Hostile & Friendly Acquisitions.

- Q.5** (a) (i) What are various (FIVE) concepts for valuation of Company ? **07**
(ii) Explain Discounted Cash Flow Valuation.
- (b) GTU limited paid Rs.4/- per share dividend last year. Dividend is expected to grow at 20% for First 6 yrs. & thereafter at 10% perpetually. Rate of Return required by Investor is 25%. Calculate value of Rate of Return. **07**

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