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Total Number of Pages: 02

Course: IMBA
Sub_Code: 16IMN1001B

10th Semester Regular Examination: 2023-24
SUBJECT: Mergers and Corporate Restructuring
BRANCH(S): IMBA
Time: 3 Hour
Max Marks: 100
Q.Code: P023

Answer Question No.1 (Part-1) 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

Q1 Answer the following questions: (2 x 10)

- Define synergy and explain its importance in M&A.
- Explain the term "hostile takeover" in the context of M&A.
- Name one financial metric commonly used to assess strategic management decisions.
- Describe one strategy companies can use to promote sustainable growth while maintaining financial stability.
- Explain how financial goals may differ from sustainable growth objectives.
- Describe one method used to finance an acquisition.
- What is the primary purpose of a spin-off in corporate restructuring?
- Explain the term "golden parachute" in the context of corporate restructuring.
- Define "horizontal integration" and provide an example.
- Describe one strategy companies might use to reduce costs during a corporate restructuring.

Part-II

Q2 Only Focused-Short Answer Type Questions- (Answer Any Eight out of Twelve) (6 x 8)

- Analyze the role of due diligence in the M&A process and discuss its importance in mitigating risks for both the acquiring and target companies.
- Explain the different types of M&A transactions, such as horizontal, vertical, and conglomerate mergers, and discuss the strategic reasons behind each type.
- Assess the role of synergy in mergers and acquisitions, explaining how it can create value for the combined entity and discussing the challenges in achieving synergy.
- Analyze the concept of post-merger integration and discuss strategies that companies can employ to facilitate a smooth integration process.
- Discuss the implications for multinational corporations engaging in cross-border M&A transactions.
- Evaluate the impact of cultural differences on the success or failure of mergers and acquisitions, providing examples of how companies have addressed these challenges.
- Compare and contrast Leveraged Buyouts (LBOs) and Management Buyouts (MBOs), discussing the key characteristics, advantages, and potential risks associated with each transaction structure.

- h) Analyze the strategic reasons why companies may choose to pursue a spin-off as a form of corporate restructuring, discussing how spin-offs can create value for both the parent company and the spun-off entity.
- i) Assess the long-term sustainability of corporate restructuring strategies, considering factors such as competitive advantage, market dynamics, and industry trends, and discuss how companies can position themselves for continued success after completing a restructuring process.
- j) Analyze the role of financial restructuring in corporate turnaround efforts, including debt restructuring, asset sales, and refinancing strategies, and discuss how these measures can improve financial stability and performance.
- k) Discuss the various reasons why companies undergo corporate restructuring, providing examples to illustrate each reason.
- l) Evaluate the strategic considerations that companies must take into account when deciding which assets to divest, discussing how divestiture decisions can be influenced by factors such as market conditions, competitive dynamics, and regulatory requirements.

Part-III

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

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| Q3 | Evaluate the role of Mergers and Acquisitions (M&A) as a growth strategy for companies in today's business environment. Discuss the various motives behind M&A transactions and how they align with corporate growth objectives. Additionally, analyze the challenges companies may face in executing successful M&A deals and sustaining value creation post-transaction. | (16) |
| Q4 | Evaluate the role of post-merger integration in realizing synergies and creating value for the combined entity. Discuss the key steps involved in post-merger integration planning and execution, and analyze how companies can effectively integrate operations, systems, and cultures to achieve seamless organizational alignment. | (16) |
| Q5 | Analyze the impact of technological disruption on M&A activity and corporate restructuring strategies in various industries. Discuss how emerging technologies such as artificial intelligence, block chain, and digitalization are reshaping business models and driving M&A trends, and the implications for companies seeking to stay competitive in a rapidly evolving market landscape. | (16) |
| Q6 | Discuss the strategic reasons why companies may choose to pursue corporate restructuring initiatives such as divestitures, spin-offs, and asset sales. Using real-world examples, analyze how these restructuring strategies can help companies optimize their business portfolios, streamline operations, and enhance shareholder value. | (16) |