Seat No.: ________ Enrolment No.___________

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 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. (ii) Distinguish between Hostile & Friendly Acquisitions.	**07**

OR

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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