



III Semester M.Com. (FA) Examination, March/April 2025  
(CBCS Scheme) (2021 –22)

**FINANCIAL ANALYSIS**

**Paper – 3.1 : Mergers, Acquisitions and Restructuring**

Time : 3 Hours

Max. Marks : 70

**Instruction :** Answers should be written in **English** only.

**SECTION – A**

1. Answer **any seven** out of ten. **Each** question carries **two** marks. (7×2=14)
- What is a merger ?
  - Define synergy in mergers and acquisitions.
  - State any two difference between sell-off and spin-off.
  - Define Leveraged Buy Out (LBO).
  - Name any two methods of financing mergers.
  - What is due diligence and why is it critical in M and A ?
  - Define equity carve-out.
  - What is Master Limited Partnership (MLP) ?
  - Give the meaning for hostile takeover.
  - What is poison pill and poison put ?

**SECTION – B**

Answer **any four** questions out of six. **Each** question carries **five** marks. (4×5=20)

- What are the internal and external change forces contributing to M and A activities ?
- Explain the impact of mergers and acquisitions on various stakeholders.
- Describe various takeover defence strategies with examples.
- What are the key managerial challenges in post-merger integration ?
- Explain the five-stage model of merger and acquisition process.

P.T.O.





7. X Ltd. is considering acquiring Y Ltd., and their financial details are as follows :

Particulars	X Ltd.	Y Ltd.
Number of Equity Shares	12,00,000	7,00,000
Market Price per Share (Rs.)	40	25
Market Capitalization (Rs.)	4,80,00,000	1,75,00,000

X Ltd. plans to acquire Y Ltd. for Rs. 2,00,00,000 in cash. If Y Ltd.'s market price reflects only its value as an independent entity, determine the cost of the merger under the following scenarios :

- 1) When the merger is financed through cash payment.
- 2) When the merger is financed through a stock exchange (share swap).

### SECTION – C

Answer **any two** questions out of four. **Each** question carries **twelve** marks. (2×12=24)

8. Explain the concept of synergies in M and A and discuss the types of synergies with real world examples.
9. Which are the strategic approaches to M and A ? How do tools like SWOT analysis and the BCG matrix help in M and A decision-making ?
10. What is takeover ? Discuss various types of takeovers with examples for each.
11. X Ltd. has agreed to acquire the assets and liabilities of Y Ltd. The balance sheet of Y Ltd. is as follows :

### Balance Sheet of Y Ltd. as on 31<sup>st</sup> March 2023

Liabilities	Amount (Rs.)	Assets	Amount (Rs.)
Share Capital (Rs.10 each)	4,00,000	Goodwill	80,000
General Reserve	70,000	Land and Building	1,80,000
Investment Allowance Reserve	40,000	Plant and Machinery	2,50,000
10% Debentures	80,000	Stock	1,00,000
Creditors	20,000	Debtors	50,000
P and L A/c	90,000	Cash	40,000
<b>Total</b>	<b>7,00,000</b>	<b>Total</b>	<b>7,00,000</b>