

# **FNCE 20005 Corporate Financial Decision Making 2021**

## **TUTORIAL 8: Corporate Takeovers & Restructuring - Part 2**

**Answers to Section B questions to be submitted on Canvas by 10am on Monday, October 4<sup>th</sup>**

### **SECTION A**

#### **Question 1**

Using the information below, determine the size of term loan B and calculate the sources and uses of funds.

<b>Sources of Funds</b>	
Term Loan B	
Senior Notes	500.0
Equity Contribution	300.0
Cash on Hand	25.0
Total Sources of Funds	
<b>Uses of Funds</b>	
Equity Purchase Price	\$725.0
Repay Existing Bank Debt	500.0
Financing Expenses	100.0
Other Fees and Expenses	50.0
Total Uses of Funds	

*Answer:*

*Sources and uses of funds:  $725 + 500 + 100 + 50 = 1375$*

*Term Loan B:  $1375 - 500 - 300 - 25 = 550$*