

**QUESTION BANK
CORPORATE RESTRUCTURING
SEM VI - OCT. 2020**

Sr No.	Question	A	B	C	D
1	What is defined as the procedure that is involved in changing the organization of business?	Financial restructuring	Organisational restructuring	Corporate restructuring	None of the above
2	What is called an expression by which company can consolidate its business operations & reinforce its position?	Organisational restructuring	Financial restructuring	Corporate restructuring	None of the above
3	What has been done for improving poor financial performance to gain market opportunities?	Financial restructuring	Organisational restructuring	Corporate restructuring	None of the above
4	What brings new & advance technologies in order to achieve & improve productivity & performance?	Technological restructuring	Financial restructuring	Organisational restructuring	None of the above
5	What increase the efficiency & effectiveness of the organization?	Technological restructuring	Organisational restructuring	Corporate restructuring	None of the above
6	What is called a combination of two or more business into one business?	Demerger	Merger	Inbound merger	None of the above
7	What is called as an act of acquiring effective control by one company over assets or management of another company?	Franchising	Acquisition	Both A and B	None of the above
8	Which form of corporate restructuring in which entities of business operations are segregated in one or more components?	Merger	Demerger	Reverse merger	None of the above
9	What is defined as an management where one party allows another party the right to use its trade name?	Franchising	Acquisition	Merger	None of the above
10	What is called an one time exercise for an organisation but it may have perpetual influence on the business?	Corporate restructuring	Organisational restructuring	Financial restructuring	None of the above
11	What is the name of a tool for obtaining synergy, dynamism and perpetuity?	Financial restructuring	Corporate restructuring	Technological restructuring	None of the above
12	Which is an inorganic growth strategy?	Technological restructuring	Organisational restructuring	Corporate restructuring	None of the above
13	What has paved way to a strong corporate restructuring in India?	M RTP	TCL	LPG	None of the above
14	What can be developed into profitable venture by using Corporate Restructuring?	Idle Time	Idle Cash	substantial cash	None of the above
15	Which Restructuring deals with restructuring of capital base and raising finance for new projects?	Technological	Financial	Organisational	None of the above
16	New and advanced technologies have been introduced in which restructuring in order to improve the productivity and performance?	Technological	Technological	Financial	None of the above
17	Which restructuring increases the efficiency and effectiveness of the organisation?	Financial	Organisational	Technological	None of the above
18	What is the name of a process by which company is allowed to extinguish or reduce liability?	Reduction of capital	Reduction of Assets	Reductions of Liability	None of the above
19	Spin-off is a form of what?	Demerger	Merger	Both A and B	None of the above
20	Which is the process of making changes in the composition of a firms one or more business portfolio in order to have a more profitable enterprise?	Corporate Reconstruction	Communication	Ownership	Capital Structure
21	What is the name of the process for changing the structure of an orgnazation such as reducing the hierarchical levels?	Financial Restructuring	Organizational Restructuring	Corporate Restructuring	Internal Reconstruction
22	State an arrangement whereby the assets of two ro more companies come under the control of one company?	Merger	Buyout	Joint Venture	De-merger
23	Which merger involves firms engaged in unrelated types of activities?	Vertical	Horizontal	Conglomerate	Demerger
24	Which company distributes its shareholding in subsidiary to its shareholders thereby not changing the ownership pattern?	Strategic Alliance	Split off	Reverse Merger	Spin off
25	When existing company is dissolved to form few new companies, it is called as what ?	Reverse Merger	Split off	Split up	Strategic Alliance

26	What do you mean by the action of an organization or government selling or liquidating an asset or subsidiary?	Merger	Joint Venture	Takeover	Disinvestment
27	An acquirer takes over the control of the target company means what?	Joint Venture	Takeover	Disinvestment	Demerger
28	Which is the corporate strategy of combined different companies into a single company in order to enhance the financial & operational strengths of both organizations?	Reverse Merger	Demerger	Merger	None of the above
29	Which merger results into achieving economies of scale and control of bigger market share?	Reverse	Vertical	horizontal	None of the above
30	Which merger results into cost efficiency, operational efficiency, increased margins and more control over production or distribution process?	Vertical	horizontal	Reverse	None of the above
31	Competition Act, 2002, National Company Law Tribunal Rules, 2016, Income Tax Act, 1961 is which aspect of merger?	legal	Technical	Fundamental	None of the above
32	Amalgamation in the nature of merger, Amalgamation in the nature of purchase is under which aspects of merger?	accounting	auditing	costing	None of the above
33	Credit Facilities, Cost Reduction is under which aspects of merger?	Political	financial	Social	None of the above
34	Scientific Research : Section 35, Treatment of Preliminary Expenses : Section 35D(5) is under which aspects of merger?	amalgamation	taxation	acquisition	None of the above
35	Which merger involves a transaction in which two organisations having business operations in different countries agree to integrate?	product extention	Marker extention	cross border	None of the above
36	When a company splits off its existing business activities into several components, with the intent to form a new company that operates on its own or sell or dissolve the unit so separated, it is called as	Merger	Demerger	Reverse Merger	None of the above
37	Under which merger and amalgamations, an existing company i.e. transferor company loses its identity and is dissolved without being wound up?	Vertical	subsidiary	Reverse	None of the above
38	Whereas when target company's permission is sought for acquiring control over the company, such takeover is which takeover and is termed as what?	rivery, acquistion	friendly, acquisition	rivery, liquidition	None of the above
39	Reverse Merger takes place when a healthy company merges with a which company?	Financially Weak	Financially Strong	Merged	Financially Moderate
40	What is called the fusion of two or more existing companies?	Acquisition	Takeover	Bailout	Merger
41	The company which is formed as a result of the merger is known as which company?	Amalgamating	Amalgamated	Bailout	Takeover
42	The Competition Act , 2002 regulates the various forms of business combinations through what?	Reserve Bank of India	SEBI Regulation	Competition Commission of India.	Companies Act
43	Which act contains several provisions that deal with the taxation of different categories of Mergers and Acquisitions?	Competition Act, 2002	SEBI Regulations, 2015	Companies Act, 2013	Income Tax Act, 1961
44	What is the effect of adequate transparency and disclosures on the risk of investors?	Enhance	Increased	Minimised	Averaged
45	Which Accounting Standard deals with Accounting for amalgamations?	Accounting Standard 14	Accounting Standard 11	Accounting Standard 13	Accounting Standard 12
46	A company in one country can be acquired by an entity (another company) from other countries is called as what?	Inter Border Merger	Intra Border Merger	Poison Pill Merger	Cross Border Merger
47	What is the meaning of disjoining or a separation of one or more units of a company to form a new company independent from original one?	Merger	Takeover	Demerger	Amalgamation
48	What take place when a profit - making parent company merges into a loss - making subsidiary company?	Reverse Merger	Takeover	Amalgamation	Demerger
49	The tax relief under section 72A will be avail if the amalgamation is between which entities?	Sole proprietor	Companies	Partnership firm	Hindu Undevided Family
50	Which take over is the takeover which is affected with the consent of target company's executives and management?	Compulsory	Hostile	Managed	Friendly
51	when an acquirer company takeovers the control over the other company agaisnt the wishes of targeted company's management considered as what ?	Merger	Friendly Takeover	Hostile Takeover	Acquisition
52	Which act deals with the power of a company to acquire shares of another company?	Companies Act, 2013	Competition Act, 2002	SEBI Regulation	Income Tax Act, 1961
53	Which type of takeovers are substantial acquisition of shares in a financially weak company not being a seek industrial company?	Complete	Partial	Resistance	Bailout
54	Attempts by target managers to defeat outstanding takeover proposals are overt forms of a takeover defences are called as what?	Takeover defences	Hostile Takeover	Bailout Takeover	Ownership Structure

55	when the target company attempts to purchase the shares of the raider company is known as which Defence?	Crown Jewel	Golder parachutes	Packman	Poison Pill
56	The divestiture of major operating unit most coveted by the bidder- commonly known as which strategy?	Poison Pill	Crown Jewel	Packman	Poison Pill
57	What includes actions that occur before a takeover offer is made which make the firm more difficult to acquire?	Acceptance	No Acceptance	Acceptance and Resistance	Resistance
58	The defence mechanism being used is anti-takeover amendments to the company's articles of association are known as what?	Shark Repellents	Packman	Poison Pill	Golder parachutes
59	What is the name of the process of reshuffling or reorganizing the financial structure, which primarily comprises of equity capital and debt capital?	Financial Resructuring	Debt Restructuring	Equity Restructuring	None of the above
60	What can be either from the assets side or the liabilities side of the balance sheet?	Financial Resructuring	Equity Restructuring	Debt Restructuring	None of the above
61	What is commonly used as a financial tool than compared to equity restructuring?	Equity Restructuring	Financial Resructuring	Debt Restructuring	None of the above
62	Reducing the cost of capital for healthy companies is which type of debt capital?	Short term borrowings	Medium term borrowings	Long term borrowings	None of the above
63	Which types of short-term borrowings include inter-corporate deposits, clean bills and clean over drafts?	Long term borrowings	Short term borrowings	Medium term borrowings	None of the above
64	What includes reshuffling of the shareholders capital and the reserves that are appearing in the balance sheet?	Financial Resructuring	Equity Restructuring	Debt Restructuring	None of the above
65	What mainly deals with the concept of capital reduction?	Equity Restructuring	Financial Resructuring	Debt Restructuring	None of the above
66	Which are the commercial loans raised by the eligible resident entities from recognized non-resident entities?	Internal Commercial borrowings	External Commercial borrowings	Direct Commercial borrowings	None of the above
67	State the term of foreign currency denominated ECB with the Minimum average maturity period of 3 or 5 years?	Short Term	Long Term	Medium Term	None of the above
68	name the foreign currency denominated ECB with the minimum average maturity of the period of 10 years ?	Medium Term	Short term	Long Term	None of the above
69	Which is a foreign currency denominated instrument which is tradable on the stock exchange generally in Europe or U.S.A.?	Depository Receipts	Depository payment	Depository saving	None of the above
70	Which is an acquisition of the company or the division of another company, financed with the substantial portion of the borrowed funds?	Buy back of sahres	Leverage buyouts	Management buyout	None of the above
71	Which is the method of financial engineering?	Buy back of sahres	Leverage buyouts	Management buyout	None of the above
72	What is used as a defense mechanism, in an environment where the threat of corporate takeovers has become real?	Buyback of shares	Management buyout	Leverage buyouts	None of the above
73	What can extinguish or reduce the liability on any of its shares in respect of the share capital not paid-up?	Reduction of shares	Reduction of Expenses	Reduction of Capital	None of the above
74	Which type of growth is through enhanced customer base, higher sales, increased revenue, money, material, machinery etc.?	Organised	Unorganised	Systematic	Strategic
75	Which type of growth provides an organization with an aim of achieving accelerated or increased growth through mergers, amalgamations etc.?	Organised	Unorganised	Systematic	Strategic
76	Name the merger of business firms who are engaged into same line of business?	Systematic	Unorganised	Horizontal	Co-generic
77	Name the merger of business firms engaged in different stages of production in an industry?	Horizontal	Vertical	Conglomerate	Co-generic
78	Name the merger of business firms who are engaged in unrelated business?	Horizontal	Vertical	Conglomerate	Co-generic
79	The acquirer must have or needs to purchase more than How much % of the paid up equity capital of the other company which the acquirer intended to overtake?	50	75	25	33.33
80	Which Authority has laid down the guidelines for takeovers in order to protect the interests of the small investors?	UTI	RBI	ROC	SEBI
81	Which strategy involves a significant change in the financial structure of the business firm?	Financial Restructuring	Financial Planning	Financial Management	Organisational Restructuring
82	In stock swap mergers, or stock-for-stock mergers, the holders of the target company's stock receive which kind of stock of acquiring company?	Debentures	Shares	Deposits	Stock
83	Which are commercial loans raised by eligible resident entities from recognized non-resident entities and should conform to paremeters such as minimum maturity, permitted and non-permitted	Treasury bills	Commercial Bills	External Commercial Borrowings(ECBs)	Foreign Institutional Investment

84	What do you mean by the reorganization of each and every aspect of the company's functional area?	Post merger integration	Post merger reorganization	Post merger aquisition	None of the above
85	What requires high quality management?	Post merger reorganization	Post merger integration	Post merger aquisition	None of the above
86	What is the part of corporate restructuring leads to change in the structure of organisations?	Demerger	Merger	Both A and B	None of the above
87	What in case of post merger has to lead more favorable than that of pre-merger?	Terms of management	Terms of Company Policy	Terms of employment	None of the above
88	Which is an important tool for successful merger?	Communication	Competition	Rivery	None of the above
89	Which process must involve a significant change in the management culture of the acquired business?	Human Resource Management	Post-Merger Integration	General Management Integration	General Management Culture
90	What is sought with an aim of trying to control the products & services feed by the involved businesses?	Post-merger integration	Human Resource Management	Product & Service development	Mergers & Acquisitions
91	Management involves the which type of action of resources?	Utilisation	Analysis	Culture	Integration
92	What determines the success or failure of merged company?	Earning	Net profit	Capitalization	Return on Capital Employed
93	Name the valuation criteria for measuring the success of post merged company?	Financial value	Market Value	Book Value	Fair Market Value
94	Which is an incredibly challenging process that senior executives are required to undertake in parallel to managing their core business operations?	Human Resource Management	Post-Merger Integration	General Management Integration	Cultural Integration
95	The earning performance of the merged company calculated against what?	Return on Assets	Return on Liabilities	Return on Share capital	Return on Equity
96	Under Section 72A of the Income Tax Act, 1961 carry forward and setting off of accumulated losses and unabsorbed depreciation of the amalgamating company is allowed against which kind of profits	Future	Present	Past	Average
97	What do you mean by Disinvestment?	Selling assets	Buyout	Buying assets	None of the above
98	What do you mean by Special Compensation Agreements?	Poison Pill	White Knight	Crown Jewels	Golden Parachute
99	State what is Pac Man Defense?	greenmail payment	targeted share repurchase	prevent hostile takeover	Counteroffer for bidder
100	LBO deals with which type of Finance for transaction?	Debentures	Equity	Bonds	Term loans