BFM SEM – VI

CORPORATE RESTRUCTURING

Multiple Questions:-

1. _________ merger involves firm engaged in unrelated types of activities.

a. Vertical

b. Horizontal

c. Conglomerate

d. Demerger

2. When existing company is dissolved to form few new companies, it is called as ________

a. Sin off

b. Split off

c. Split up

d. All of the above

3. __________means an acquirer takes over the control of the target company.

a. Joint Venture

b. Takeover

c. Disinvestment

d. Demerger

4. The ___________means changing the structure of an organization such as reducing the hierarchical levels.

a. Financial Restructuring

b. Organizational Restructuring

c. Corporate Restructuring

d. All of the above

5. ________parties work together or a single project for a finite period of time.

a. Strategic Alliance

b. Joint Venture

c. Disinvestment

d. Franchising

6. __________means the action of an organization or government selling or liquidating an asset or subsidiary.

a. Merger

b. Joint Venture

c. Takeover

d. Disinvestment

7. __________ is an arrangement whereby the assets of two or more companies come under the control of one company.

a. Merger

b. Buyout

c. Joint Venture

d. Demerger

8. ________may be defined as an arrangement where one party grants another party the right to use trade name.

a. Alliance

b. Franchising

c. Slump sale

d. Joint Venture

9. ________merger is a merger of two or more companies that compete in the same industry.

a. Vertical

b. Horizontal

c. Co generic

d. Conglomerate

10. ____________ helps a firm to grow and expand.

a. Corporate Restructuring

b. Merger

c. Takeover

d. Demerger

11. In _________, company distributes its shareholding in subsidiary to its shareholders thereby not changing the ownership pattern.

a. Spin off

b. Split off

c. Split up

d. All of the above

12. ________ is the fusion of two or more existing companies.

a. Merger

b. Takeover

c. Bailout

d. Demerger

13. Reverse Merger takes place when a healthy company merges with a financially ________company.

a. Weak

b. Strong

c. Merged

d. All of the above

14. The company which is formed as a result of the merger is known as _______ company.

a. Amalgamating

b. Amalgamated

c. Bailout

d. Takeover

15. The risks of investors can be __________through adequate transparency an disclosures.

a. Enhance

b. Increased

c. Minimized

d. Maximized

16. ___________ deals with Accounting for amalgamations.

a. Accounting Standard 14

b. Accounting Standard 11

c. Accounting Standard 13

d. Accounting Standard 12

17. _________ plays an important role in survival of weak units.

a. Merger

b. Demerger

c. Disinvestment

d. Franchising

18. __________ is the most important piece of restructuring and organizational change.

a. Structure for Success

b. Communication

c. Plan Ahead

d. Meet in the middle

19. ___________is levied on “Instruments”.

a. Stamp duty

b. Custom duty

c. Excise duty

d. All of the above

20. The Competition Act, 2002 regulates the various forms of business combinations through __________

a. Reserve Bank of India

b. SEBI Regulation

c. Competition Commission of India

d. All of the above

21. A company in one country can be acquired by an entity (another company) from other countries is called __________

a. Cross Border Merger

b. Intra Border Merger

c. Poison Pill Merger

d. Demerger

22. The tax relief under section 72A will be avail if the amalgamation is between ________

a. Sole Proprietor

b. Companies

c. Partnership Firm

d. All of the above

23. Obtain an order of the court sanctioning the scheme of ________

a. Merger

b. Demerger

c. Takeover

d. Disinvestment

24. Refusal by the _____________ to register a transfer is an important strategy to avert a takeover.

a. Board of Directors

b. Government

c. RBI

d. SEBI

25. Financial, Accounting and Tax related matters inspire ___________ takeover.

a. Cross Border

b. Friendly

c. Hostile

d. Compulsory

26. __________ takes place when a profit-making parent company merges into a loss-making subsidiary company.

a. Reverse Merger

b. Takeover

c. Demerger

d. Disinvestment

27. __________ takeover is the takeover which is affected with the consent of target company’s executives and management.

a. Compulsory

b. Hostile

c. Friendly

d. Bailout

28. A _________ offer is required to be made within 15 business days of the original tender offer.

a. Voluntary

b. Conditional

c. Competing

d. Mandatory Tender

29. The Indian ____________ contains several provisions that deal with the taxation of different categories of mergers and acquisitions.

a. Competition Act, 2002

b. Income Tax Act, 1961

c. Companies Act, 2013

d. All of the above

30. Global takeovers are __________ processes.

a. Simple

b. Complex

c. Mixed

d. Both (a) and (b)

31. ___________ is a disjoining or a separation of one or more units of a company to form a new company independent from the original one.

a. Merger

b. Takeover

c. Demerger

d. Disinvestment

32. __________ attempts by target managers to defeat outstanding takeover proposals are overt forms of takeover defences.

a. Takeover Defences

b. Hostile Takeover

c. Bailout Takeover

d. Friendly Takeover

33. The main reason for _________ takeover is to attain monopoly.

a. Friendly

b. Cross Border

c. Hostile

d. Compulsory

34. Under _________ Strategy, the target company attempts to purchase the shares of the raider company.

a. The Crown Jewel

b. The Packman Defence

c. Golden Parachutes

d. Buyback

35. The _______ deals with the power of a company to acquire shares of another company.

a. Companies Act, 2013

b. Competition Act, 2002

c. SEBI Regulation

d. All of the above

36. The divestiture of major operating unit most conveted by the bidder- commonly known as the ____________

a. Poison Pill

b. Crown Jewel

c. Packman

d. Golden Parachutes

37. The purchase of the business of an enterprise by another enterprise is known as ________

a. Merger

b. Acquisition

c. Buyout

d. Disinvestment

38. The defence mechanism being used is anti- takeover amendments to the company's or articles of association are known as ________

a. Shark repellents

b. Packman

c. Poison Pill

d. Crown Jewel

39. When an acquirer company takeovers the control over the other company against the wishes of targeted company's management considered as ____________

a. Merger

b. Friendly Takeover

c. Hostile Takeover

d. Demerger

40. _____________ takeovers are substantial acquisition of shares in a financially weak company not being a sick industrial company.

a. Bailout

b. Partial

c. Resistance

d. Hostile

41. ________ means an acquirer takes over the control of the target company.

a. Takeover

b. Disinvestment

c. Merger

d. Demerger

42. The Indian Stamp Act, 1899 provides for stamp duty on transfer/ issue of shares at the rate of ______

a. 0.50%

b. 0.25%

c. 0.01%

d. 0.05%

43. ___________ helps to widen the growth opportunities for the company.

a. Synergies

b. Tax Advantage

c. Disinvestment

d. Diversification

44. _________ method is used in accounting for amalgamations in the nature of purchase.

a. Pooling of interest

b. Taxation Aspects

c. Purchase

d. Goodwill

45. The note of every application filed with the Tribunal has to be given to the _________

a. Parliament

b. Central Government

c. State Government

d. Chairman

46. The scheme of merger and amalgamation is required to approved by ___________, before it is filed with the High court.

a. Shareholders

b. Director

c. Government

d. SEBI

47. A _______ offer may be made by an existing shareholder or an acquirer who holds no shares in the target company.

a. Voluntary

b. Conditional

c. Competing

d. Mandatory Tender

48. A popular defence mechanism against hostile takeover bids is the creation of securities called _________

a. Golden Parachutes

b. The Packman Defence

c. Poison Pills

d. The Crown Jewel

49. Permission of ______ is required for the issue of any security to a person resident outside India.

a. RBI

b. SEBI

c. Government

d. Parliament

50. _________ takeover is the takeover which is affected with the consent of target's company executives and management.

a. Hostile

b. Friendly

c. Compulsory

d. Cross Border

51. ___________ defines the various terms connected with takeover like acquirer, acquisition, target company, etc.

a. Regulation 2

b. Regulation 3(1)

c. Regulation 3(3)

d. Regulation 4

52. __________ should be in public interest.

a. Amalgamation

b. Takeover

c. Merger

d. Demerger

53. The _________ 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.

a. Corporate Restructuring

b. Communication

c. Ownership

d. Capital Structure

54. ________ takes place when one company acquires control over other company by way of purchase or exchange of shares.

a. Merger

b. Demerger

c. Takeover

d. Disinvestment

55. The Competition Act essentially considers _________ kinds of anti- competitive agreements.

a. one

b. Two

c. Three

d. Four

56. The _____________ has exempted the payment of stamp duty on instrument evidencing transfer of property between companies limited by shares.

a. State Government

b. Central Government

c. Both (a) & (b)

d. Parliament

57. Amalgamated entities can assess to _______ number of market resources.

a. Smaller

b. Larger

c. Limited

d. All of the above

58. The risk of investors can be __________ through adequate transparency and disclosures.

a. Minimized

b. Maximized

c. Both (a) & (b)

d. None of the above

59. ___________ is the form of demerger where shareholders of existing company form a new company to takeover specific division of existing company.

a. Spin off

b. Split off

c. Split up

d. All of the above

60. ___________ is a combination of two or more companies into an existing company.

a. Absorption

b. Consolidation

c. Both (a) & (b)

d. Franchising

61. _________ helps in enhancing market leadership of the company.

a. Merger

b. Demerger

c. Amalgamation

d. Takeover

62. After meeting, the _________ of the meeting shall report the result thereof to the court.

a. Chairman

b. Board of Directors

c. Shareholder

d. All of the above

63. The company or companies which so merge being referred to as the _______ company or companies.

a. Amalgamated

b. Amalgamating

c. Both (a) & (b)

d. Partnership Firm

64. An existing company transfers its various divisions to one or more new companies formed for the purpose, is said to be ______________

a. Partial demerger

b. Complete demerger

c. Takeover

d. Disinvestment

65. _________ takes place when a healthy company merges with a financially weak company.

a. Reverse Merger

b. Demerger

c. Takeover

d. Disinvestment

66. _________may be defined as an arrangement where one party grants another party the right to use trade name.

a. Alliance

b. Franchising

c. Slump Sale

d. Joint Venture

67. A popular defence mechanism against hostile takeover bids is the creation of securities called ___________

a. Shark Repellents

b. Poison Pills

c. Packman defence

d. The Crown Jewel

68. _______ has laid down the guidelines for takeovers in order to protect the interest of the small investors.

a. SEBI

b. RBI

c. Both (a) & (b)

d. Government

69. A _________merger is a merger of business firms who are engaged into same line of business.

a. Horizontal

b. Vertical

c. Conglomerate

d. Co generic

70. The restructuring of companies by way of takeover is governed by _________

a. SEBI

b. RBI

c. Government

d. All of the above

71. ____________ helps a firm to grow and expand.

a. Corporate Restructuring

b. Merger

c. Takeover

d. Demerger

72. ________ is a technique of corporate restructuring in which an independent company is created from parent company in order to promote specialization.

a. Merger

b. Demerger

c. Takeover

d. Disinvestment

73. A ________is a combination of two or more companies into a new company.

a. Consolidation

b. Absorption

c. Both (a) & (b)

d. Demerger

74. _______ merger takes place upon the combination of two companies which are operating in the same industry but at different stages of production or distribution system.

a. Vertical

b. Horizontal

c. Co generic

d. Conglomerate

75. __________is a venture in which an enterprise is formed with participation in the ownership, control and management of minimum of two parties.

a. Joint Venture

b. Takeover

c. Franchising

d. Demerger

76. -------- growth is through enhanced customer base, higher sales, increased revenue, money material , machinery ect.

a. Organised

b. Unorganised

c. Systematic

d. Instant

77. ----------growth provides an organisation with an aim of achieving accelerated or increased growth through mergers, amalgamation ect.

a. Organised

b. Unorganised

c. Systematic

d. Instant

78. A -------- merger is a merger of business firm engaged into same line of business.

a. horizontal

b. vertical

c. conglomerate

d. market extention

79. A ---------- merger is a merger of business firm engaged in different stages of production in an industry.

a. horizontal

b. Vertical

c. Conglomerate

d. Market extention

80. A ------------ is a merger of business firm who are engaged in unrelated business.

a. horizontal

b. Vertical

c. Conglomerate

d. Market extention

81. The acquirer must have or needs to purchase more than -------% of the paid up equity capital of other company which the acquirer intended to overtake.

a. 50

b. 75

c. 25

d. 51

82. ----------- has laid down the guidelines for takeovers in order to protect the interest of small investors.

a. SEBI

b. RBI

c. ROC

d. SBI

83. ------------------- strategy involves a significant change in the financial structure of the business firm.

a. Financial Restructuring

b. Financial Planning

c. Financial Management

d. Financial Services

84. In stock swap merger the holder of target company's stock receive --------- of the acquiring company's stock.

a. Shares

b. Debentures

c. Deposits

d. Bonds

85. ------------ are commercial loans raised by eligible resident entities from reorganised non-resident entities.

a . External commercial borrowings

b. Commercial bills

c. Treasury bills

d. Credit note

86. A---------- is the acquisition of a company or division of another company, financed with the substantial portion of borrowed funds.

a. Leveraged buyout

b. Rehabilitation finance

c. Corporate finance

d. Institutional finance

87. When sick industries gets merged with healthy units with financial package is termed as------

a. Financial rehabilitation

b. LBO

c. ECBs

d. Corporate finance

88. The ---------is prepared by insolvency resulation applicant and submitted to insolvency professional who seek the consent of committee of creditors.

a. Insolvency resulation plan

b. Rehabilitation plan

c. Insolvency report

d. Resulation draft

89. A ---------- is a financial transaction in which a company is purchased with a combination of equity and debt.

a. Leveraged buyout

b. Rehabilitation finance

c. Borrowed finance

d. Corporate finance

90. In an-----------------, the incumbent management team, acquires a sizeable portion of shares of the company.

a. MBO

b. LBO

c. MBI

d. MBS

91. An ---------in which an external management team acquires the shares.

a. MBO

b. LBO

c. MBI

d. MBS

92. A---------- buyout is a form of leveraged buyout where both the buyer and the seller are private equity firms.

a. Primary

b. Secondary

c. Tertiary

d. Management buyout

93. If a company that was acquired in a secondary buyout get sold to another financial sponsor is called a ----------- buyout.

a. Primary

b. Secondary

c. Tertiary

d. Management buyout

94. For a company, a ----------- is a process by which restructuring takesplace and surplus cash is returned to shareholders.

a. Capital reorganisation

b. Capital appreciation

c. Capital financing

d. Capital depreciation

95. ------------- is a corporate action in which a company buy back its shares from the existing shareholders usually at a price higher than market price.

a. Buy -Back

b. Free Reserve

c. Bonus issue

d. Forfeiting

96. Before the buyback of shares, the company shall file with the Registrar of Companies a letter of offer in e-form --------.

a. SH-8

b. SH-9

c. SH-10

d. SH-11

97. The company shall file with the Registrar of Companies, along with the letter of offer, and declaration of solvency in e-form --------------.

a. SH-8

b. SH-9

c. SH-10

d. SH-11

98. A-------------- is a type of corporate action in which an acquiring company makes an offer to the target company's shareholders to buy the target company's shares to gain control of the business.

a. Takeover bid

b. Merger bid

c. Finance bid

d. Invitation bid

99. The company shall maintain a register of buyback for shares and other securities in form no.------------- at the registeredoffice of the company.

a. SH-8

b. SH-9

c. SH-10

d. SH-11

100. The return of buyback shall be filed with the Registrar in form no. -----------

a. SH-8

b. SH-9

c. SH-10

d. SH-11

101. ----------------of the company shall contain on enabling provision for buyback of shares.

a. Article of Association

b. Memorandum of Association

c. Prospectus

d. Offer document

102. Percentage of buyback of shares should not exceed --------- of the aggregate of the paid up capital and free reserves of the company.

a. 25%

b. 50%

c. 40%

d. 51%

103. Ratio of aggregate of secured and unsecured debt owned by the company after buyback should not be more than ---------the paid up capital and free reserves.

a. Equal

b. Twice

c. Thrice

d. Half

104. Declaration of solvency shall be signed by at least ------- directors one of whom shall be the managing director.

a. 2

b. 3

c. 4

d. 5

105. Letter of offer shall be dispatched to the shareholders within---------- days from its filing with Registrar of Companies containing factual information.

a. 21

b. 15

c. 30

d. 10

106. The offer for buyback shall remain open for minimum period of -------days.

a. 21

b. 15

c. 30

d. 10

107. Every buyback shall be completed within a period of------------------ from the date of passing of board or special resulation.

a. One year

b. Six months

c. Three months

d. One month

108. Extinguish and physically destroy the shares and other specified securities buyback within ---- days of the last date of completion of a buyback.

a. 21

b. 15

c. 30

d. 07

109. Shares to be bought back must be ---------

a. fully paid up

b. Unpaid shares

c. Forfeited shares

d. Preference shares

110. Approval of Board of directors upto ------ % of the total paid up equity capital and free reserves of the company.

a.10

b. 15

c. 25

d. 50

111. ----------- growth provides an organisation with an aim of achieving accelerated or increased growth through mergers, amalgamation ect.

a. Organic

b. Inorganic

c. Instant

d. Gradual

112. In -------- swap merger, the holders of the target company's stock receive shares of the acquiring company's stock.

a. Stock

b. Debt -equity

c. Interest

d. Investment

113. -------------------- Capital can be considered as the permanent capital of company.

a. Equity share

b. Preference share

c. Working

d. Fixed

114. For companies that publicly traded,negative reactions to the restructure can result in ----- stock prices.

a. Dropping

b. Increasing

c. Stabilising

d. Mobilizing

115. --------- is a foreign currency denominated instrument tradeable on stock exchange generally in USA.

a. ADRs

b. GDRs

c. DRs

d. SDRs

116. ----------- is a foreign currency denominated instrument tradeable on stock exchange in countries other than USA.

a. ADRs

b. GDRs

c. DRs

d. SDRs

117. Well managed companies make sufficient profit and retain in the form of -----------.

a. Free Reserve

b. Deposits

c. Investment

d. Financial instruments

118. With ---------------- , lender can get a comprehensive financial footprint of a borrower.

a. Credit report

b. Project report

c. Feasibility report

d. Proposal

119. The restructuring of a corporation should be undertaken if ---------------

a. It can prevent an unwanted takeovers

b. It is expected to create value for shareholders

c. It is expected to increase the firm's revenue

d. The interest of bondholders are not negatively affected

120. In the long run, and successful acquisition is one that

a. Enables the acquirer to make an all equity purchase

b. Enables the acquirer to diversify it's assets base

c. Increase the market price of the acquirer stock

d. Increase financial leverage

121. One means for a company to go private is ----------

a. Divestiture

b. The pure play

c. LBO

d. The prepacked reorganisation

122. Which of the following reason do companies restrucre for? ----------

a. Change the ownership

b. Just because they want to

c . To stay competitive

d. To overcome weakness

123. When one company buys all or parts of another company is called -----------.

a. Merger

b. Demerger

c. Recapitalisation

d. Acquisition

124. An acquisition is the same thing as --------.

a. a merger

b. a spin-off

c. a takeover

d. an amalgamation

125. The way in which merger and amalgamation occur do not include --------------

a. Horizontal integration

b. Vertical integration

c. Diversification

d. Conglomerate takeovers

126. The good reason for merger and amalgamation do not include -----------

a. Complementing business strategies

b. Increasing earning per share

c. Supporting value added growth

d. Stopping a competitor merging or takeover

127. Justification for merger and amalgamation do not include ------------

a. to achieve synergy

b. to enter into new market

c. to increase risk

d. to gain economies of scale

128. Financial motive for merger and amalgamation do not related to -------------

a. unemployed tax shield

b. earnings per share

c. value added tax

d. Corporation tax

129. Managerial motive for merger and amalgamation do not related to -------------

a. Dividend

b. Power

c. Job security

d. Emoluments

130. The three broad approaches to company valuation do not include ------------.

a. Stock market valuation

b. Assets valuation

c. Inventory valuation

d. Future earnings valuation

131. ----------- in his book of 'Stategic Management 'has identified the strategy alternatives into four board strategies.

a. William F. Glueck

b. Henry Fayol

c. Peter Drucker

d. James Stonner

132. Merger or takeover may be provided for as a part of insolvency resulation plan under the Insolvency and Bankruptcy Code, -----------

a. 2000

b. 2012

c. 2014

d. 2016

133. --------------does not result in a expansion of the firm.

a. Joint venture

b. Merger

c. Divestiture

d. Acquisition

134. ------------- does not involve a change in the ownership structure.

a. Proxy contest

b. Share repurchase

c. LBO

d. Going Private

135. -------------is referred as 'as going private transaction 'initiate by the incumbent management.

a. Management buyout

b. Leveraged cash out

c. Management Buy-in

d. Leveraged recapitalisation

136. ----------- forms one economic unit from two or more units is called ----------

a. Joint Ventures

b. Merger

c. Corporate control

d. Divestiture

137. A public offer by one firm to directly buy the shares of another company is called --------

a. Merger

b. Tender offer

c. Spin off

d. Divestiture

138. The sale of stock in wholly owned subsidiary via an IPO is referred as --------

a. Split up

b. Equity carve out

c. Counter tender offer

d. Lockup transaction

139. The distribution of shares in a subsidiary to existing parent company's stockholder is called -----------

a. Spin off

b. Equity carve out

c. Counter tender offer

d. Lockup transaction

140. Which of the following activities are commonly associated with takeover.

a. The acquisition of assets

b. Management buyout

c. Leveraged buyout

d. All the above

141. If Microsoft were to acquire U.S.Airways, the acquisition would be classified as -------- acquisition.

a. Horizontal

b. Conglomerate

c. Vertical

d. Market extention

142. A dissident group solicits votes in an attempt to replace existing management is called ------

a. Tender offer

b. Shareholders derivatives action

c. Proxy contest

d. Management freezout

143. One of the most basic reason for a merger is --------

a. Enhance revenue

b. Increase competition

c. Cost reduction

d. Employee benefits

144. When a building supply store acquires a lumber mill is called as a -----------acquisition.

a. horizontal

b. Vertical

c. Conglomerate

d. Longitudinal

145. The complete obsorption of one company by another, where in the acquiring firm retains its identity and the acquired firm cease to exist as a separate entity is called ----------.

a. Merger

b. Consolidation

c. Spin off

d . divestiture

146. A merger in which an entirely new firm is created and both the acquired and acquiring firm cease to exist is called ---------------

a. Merger

b. Consolidation

c. Spin off

d . divestiture

147. The payments made by a firm to repurchase shares of its outstanding stock from an individual investors in an attempt to eliminate a potential unfriendly takeover is called as -----

a. Golden parachute

b. Standstill payment

c. Greenmail

d. Poison pill

148. A financial device designed to make unfriendly takeover attempts financially unappealing, if not impossible is called ------------

a. Golden parachute

b. Standstill payment

c. Greenmail

d. Poison pill

149. Generous compensation packages paid to a firm's top management in event of a takeover referred as ----------

a. Golden parachute

b. Standstill payment

c. Greenmail

d. Poison pill

150. A friendly suitor that a target firm turns to as an alternative to a hostile bidder is called -------

a. Golden suitor

b. Poison put

c. White Knights

d. Shark repellent.

151. The ____________ process must involve a significant change in the management culture of the acquired business.

a. Human Resource Management

b. Post-Merger Integration

c. General management integration

d. Product and service development.

152. __________ are sought with an aim to trying to control the products and services feed by the involved business.

a. Post-Merger Integration

b. Product and service development

c. Merger and Acquisition

d. Financial market value

153. Management involves the ___________ of resources.

a) Utilisation

b) Analysis

c) Culture

d) Net Profit

154. The ______________ of the merged company determines its success or failure.

a) Earning

b) Net profit

c) Capitalisation

d) Assets

155. ____________ is one of the valuation criteria for measuring the success of post merged company.

a) Financial Value

b) Market Value

c) Fair Market Value

d) Culture

156. _____________ is an incredibly challenging process that senior executives are required to undertake in parallel to managing their core business operations.

a) Human Resource Management

b) Post-Merger Integration

c) General management integration

d) Product and service development.

157. The earning performance of the merged company can be measured by return on total ___________ and total net worth.

a) Assets

b) liabilities

c) Share Capital

d) Market Value

158. Under section 72A of Income tax act, 1961 carry forward and setting off of accumulated losses and unabsorbed depreciation of the amalgamating company is allowed against the __________ profits of the amalgamated company in order to encourage revival of sick units.

a) Future

b) Present

c) Past

d) Market Value

159. The merged firm would enjoy ___________ debt capacity because the combination of two or more firms provide greater stability to the earnings level.

a) Lower

b) Higher

c) Stable

d) Non of the above

160. Merger/Amalgamation of two or more firms has been used as a dominant business strategy to seek rapid growth and ___________.

a) Stabilisation

b) Expansion

c) Diversification

d) Utilisation

161. The company which is subjected to _____________ will need to align its internal processes with that of the merged entity / acquired entity.

a) Restructuring

b) Post-Merger Integration

c) Share Capital

d) Non of the above

162. The earning performance of the merged company can be measured by return on total ___________ and return on net worth.

a) Assets

b) Liabilities

c) Share Capital

d) Financial Value

163. The ____________ improves the competitive position of the merged firm as it can command an increased market share.

a) Merger

b) Acquisition

c) Stabilisation

d) Expansion

164. The earning performance of the merged company can be measured by return on total assets and return on___________.

a) Assets

b) Liabilities

c) Share Capital

d) Net Worth

165. Merger/Amalgamation of two or more firms has been used as a dominant business strategy to seek rapid __________ and Diversification.

a) Stabilisation

b) Expansion

c) Utilisation

d) Growth

166. There are _______ sets of rules for a successful PMI.

a) 20

b) 15

c) 10

d) 5

167. The net result of realizing economics of scale would be an __________ in the cost of production.

a) Increase

b) Decrease

c) Stable

d) None of the above

168. Modern markets always dictate __________ innovation and improvement on product and services.

a) Continuous

b) Stable

c) Increased

d) None of the above

169. __________ involves the utilization of resources.

a) Management

b) Analysis

c) Culture

d) Net Profit

170. The capitalisation of the ___________ company determines its success or failure.

a) Expansion

b) Net profit

c) Merged

d) Assets

171. Whenever the merged firm raises funds from the market through public issue of shares or debentures, it can ___________ the floating cost.

a) Reduce

b) Increase

c) Constant

d) None of the above.

172. Modern markets always dictate Continuous innovation and __________ on product and services.

a) Improvement

b) Stable

c) Increased

d) None of the above

173. The earning Performance of the merged cannot be measured by return on total share price and return on ________ worth.

a) Net

b) Average

c) Future

d) Higher

174. Companies need to be __________ with regards to terms and conditions of employment.

a) Sensitive

b) Careless

c) Favourable

d) None of the above

175. Post acquisition, the parent company may want to acquired company to adopt ______________ structure of the parent entity.

a) Salary

b) Communication

c) Compensation

d) Conditions

176. The company which is subjected to restructuring will need to align its ___________ processes with that of the merged entity.

a) Internal

b) External

c) Domestic

d) International

177. Restructuring typically would entail ___________ of persons operating on various positions/grades in similar functions.

a) Re-allocation

b) Administration

c) Acquisition

d) None of the above

178. A careful __________ is needed to avoid overlapping, underutilization of staff and to take care of career progression.

a) Organizing

b) Planning

c) Controlling

d) Re-defining

179. The company which is subjected to ____________ will need to align its internal processes with that of the merged entity.

a) Restructuring

b) Merger

c) Amalgamation

d) External

180. If accompany is occupying leased premises, one should check conditions under the __________ agreement and complete necessary formalities.

a) Restructuring

b) Lease

c) Merged

d) None of the above

181. Restructuring could lead to changes in existing certificates such as _________ or similar other certifications.

a) ISO

b) FSI

c) SEZ

d) All of the above

182. Restructuring is not always about __________ decisions or actions.

a) Present

b) Future

c) Past

d) None of the above

182. Takeovers means an _________ takes over the control of the target company.

a) Acquirer

b) Franchiser

c) Alliance

d) Joint Ventures

183. ______________ is an incredibly challenging process that senior executives are required to undertake in parallel to managing their core business operations.

a) Post-merger integration

b) Miscellaneous

c) Restructuring

d) All of the above

184. The success and failure of a __________ largely depends on the level of preparation and readiness of the key functions and stakeholders.

a) PMI

b) ISO

c) SEZ

d) STPI

185. _____________ usually involves how the human workforce is utilized to attain the goals and ambitions of a business in the market.

a) General Management Culture

b) Human Resource Management

c) Product and Service Development

d) Management Integration

186. The post-merger integration process must involve a significant change in the ______________ culture of the acquired business.

a) Management

b) Planning

c) Integration

d) None of the above

187. _____________ is one of the valuation criteria for measuring the success of post merged company.

a) Fair Market Value

b) Performance comparison

c) Growth

d) Capitalisation

188. Gains to shareholders have so far been measured in terms of increase or decrease in __________ price of the merged company.

a) Share

b) Resources

c) Performance

d) Earnings

189. A negative correlation between the combining firms is less risky whereas a positive correlation is ____________ risky.

a) Less

b) More

c) Minimum

d) Maximum

190. The ______________ of the merged company determines its success or failure.

a) Growth

b) Performance Comparison

c) Fair Market Value

d) Capitalisation

191. The Takeover Regulations provide a distinct regime for acquirers to make _______________ to public shareholders.

a) Conditional Offers

b) Voluntary Offers

c) Competing Offers

d) Continual Disclosures

192. At least ___________ per-cent of the shareholders of the demerged foreign company continue to remain shareholders of the resulting foreign company.

a) 95

b) 10

c) 25

d) 75

193. The company rule __________ had laid down the rules relevant to the procedure of demerger.

a) 1920

b) 1959

c) 1998

d) 1956

194. A popular defence mechanism against hostile takeover bids is the creation of securities called _________

a. Golden Parachutes

b. The Pack-man Defence

c. Poison Pills

d. The Crown Jewel

195. ___________is referred as 'as going private transaction 'initiate by the incumbent management.

a. Management buyout

b. Leveraged cash out

c. Management Buy-in

d. Leveraged recapitalization

196. __________ has laid down the guidelines for takeovers in order to protect the interest of small investors.

a. SEBI

b. RBI

c. ROC

d. SBI

197. _________ is an arrangement whereby the assets of two or more companies come under the control of one company.

a. Merger

b. Buyout

c. Joint Venture

d. Demerger

198. The risks of investors can be __________through adequate transparency an disclosures.
a. Enhance
b. Increased
c. Minimized
d. Maximized

199. A _________merger is a merger of business firms who are engaged into same line of business.
a. Horizontal
b. Vertical
c. Conglomerate
d. Co generic

200. ------------- are commercial loans raised by eligible resident entities from reorganised non-resident entities.
a . External commercial borrowings
b. Commercial bills
c. Treasury bills
d. Credit note

ANSWERS-

1. Conglomerate 2. Split up 3. Takeover 4. Organizational Restructuring

5. Strategic Alliance 6. Disinvestment 7. Merger 8. Franchising

9. Horizontal 10. Corporate Restructuring 11. Spin off 12. Merger

13. Weak 14. Amalgamated 15. Minimized 16. Accounting Standard 14

17. Merger 18. Communication 19. Stamp duty 20. Competition Commission of India

21. Cross Border Merger 22. Companies 23. Demerger 24. Board of Directors

25. Cross Border 26. Reverse Merger 27. Friendly 28. Competing

29. Income Tax Act, 1961 30. Complex 31. Demerger 32. Takeover defence

33. Cross Border 34. The Packman Defence 35. Companies Act, 2013

36. Crown Jewel 37. Acquisition 38. Shark repellents 39. Hostile Takeover

40. Bailout 41. Takeover 42. 0.25% 43. Diversification

44. Purchase 45. Central Government 46. Shareholder 47. Voluntary

48. Poison Pills 49. RBI 50. Friendly 51. Regulation 2

52. Amalgamation 53. Corporate Restructuring 54. Takeover 55. Two

56. Central Government 57. Larger 58. Minimized 59. Split off

60. Absorption 61. Amalgamation 62. Chairman 63. Amalgamating

64. Complete demerger 65. Reverse merger 66. Franchising 67. Poison Pills

68. SEBI 69. Horizontal 70. SEBI 71. Corporate Restructuring

72. Demerger 73. Consolidation 74. Vertical 75. Joint Venture.
76 - organized 77- unorganized 78- horizontal 79- vertical,

80- conglomerate 81- 50 82- SEBI 83- Financial Restructuring

84- shares 85- External Commercial Borrowings 86- Leveraged buyout

87- financial rehabilitation 88- insolvency resulation plan 89- leveraged buyout

90- MBO 91- MBI 92- Secondary 93- tertiary 94- Capital reorganisation

95- buyback 96- SH 8 97- SH 9 98- takeover bid 99- SH10

100- SH 11 101- Article of Association 102- 25% 103- twice 104- 2

105- 21 days 106- 15 days 107- one year 108- 7 days

109- fully paid up 110- 10% 111- Inorganic growth 112- stock swap merger

113- equity share capital 114- dropping 115- ADRs 116- GDRs

117- free reserves 118- credit report 119- it is expected to create value for shareholders 120- increase the market price of the acquirer stock 121- LBO

122- to stay competitive 123- acquisition 124- a takeover 125-diversification

126- increasing earning per share 127- to increase risk 128 -value added tax

129- dividend 130- inventory valuation 131- William Glueck 132- 2016

133- Divestiture 134- proxy contest 135- Management Buy-outs 136- merger

137- tender offer 138- Equity carve out 139- spin off 140- all the above

141- Conglomerate 142- proxy contest 143- cost reduction 144- vertical

145- merger 146- consolidation 147- Greenmail 148- poison pill

149- golden parachute 151. Post-Merger Integration 152. Merger and Acquisition

153. Utilisation 154. Capitalisation 155. Fair Market Value

156. Post-Merger Integration 157. Assets 158. Future 159. Higher

160. Diversification 161. Restructuring 162. Assets 163. Merger

164. Net worth 165. Growth 166. 15 167. Increase

168. Continuous 169. Management 170. Merged 171. Reduce

172. Improvement 173. Net 174. Sensitive 175. Compensation

176. Internal 177. Re-allocation 178. Planning 179. Restructuring

180. Lease 181. ISO 182. Future 183. Acquirer

184. Post-merger integration 185. PMI 186. Human Resource Management

187. Management 188. Fair Market Value 189. Share 190. More

191. Capitalisation 192. Voluntary Offers 193. 75 194. 1959

195. Management Buy-outs 196. SEBI 197. Merger 198. Minimised

199. Horizontal 200. External Commercial Borrowings