

END SEMESTER EXAMINATION, MAY - 2026**B. Com. (Hons.) Semester - VI****Subject Name: Corporate Restructuring****Subject Code: BCMAT103****Time allotted: 03 Hours****Max. Marks: 100****Note: Read all the instructions carefully**

Q.1	VERY SHORT ANSWER QUESTIONS – Attempt All.	(10x2 = 20 Marks)
a.	Define corporate restructuring	CO1
b.	Define vertical merger	CO1
c.	Define takeover?	CO1
d.	A merger between two companies operating at the same stage of the production process is known as a _____ merger.	CO1
e.	A takeover bid made directly to the shareholders of a target company without the consent of its management is known as a _____ tender offer.	CO1
f.	The combination of companies from different countries is referred to as a _____ merger.	CO2
g.	Explain the different types of demergers.	CO2
h.	Explain any 2 challenges associated with cross-border mergers.	CO2
i.	Explain the process of business valuation.	CO2
j.	Explain buyback of shares.	CO2
Q.2	SHORT ANSWER QUESTIONS – Attempt any Five.	(5x4 = 20 Marks)
a.	Illustrate with examples how globalization influenced restructuring decisions in Indian companies.	CO3
b.	Apply your understanding of the economic, commercial, and legal factors to a business situation and illustrate the key considerations that a company must evaluate before initiating a merger or amalgamation.	CO3
c.	Apply the concepts of mergers and acquisitions to real-world business scenarios by illustrating suitable examples. Demonstrate how these strategies have been used by companies to achieve specific strategic objectives such as growth, market expansion, or synergy.	CO3
d.	Explain the concept of takeover and apply it to a real or hypothetical business situation. Illustrate how a takeover can be used by a company to achieve its strategic objectives.	CO3
e.	Analyze factors influencing the need for restructuring.	CO4
f.	Analyze the Income-Based Approach (Price-Earnings method) for valuing a company. Using the given data, examine how the P/E ratios of comparable companies influence the valuation of A Ltd., and analyze the steps involved in estimating its value per share: - Earnings Per Share (EPS) of A Ltd.: ₹5.5 - P/E Ratios of comparable companies: - Company B: 39 - Company C: 45 - Company D: 33	CO4
g.	Analyze the various factors influencing business valuation. Examine how financial, market, economic, and company-specific factors interact to affect the overall valuation of a firm.	CO4

Q.3		STRUCTURED QUESTIONS – Attempt any Three.	(3X10 = 30 Marks)
a.	Two companies operating in the telecommunications sector decide to consolidate their operations by forming a new entity. As part of this arrangement, both existing companies cease to exist independently, and their shareholders are allotted shares in the newly formed organization. Required: a) Analyze the above scenario and identify the form of corporate restructuring involved. b) Classify the specific type of restructuring undertaken. c) Critically examine the key features of the arrangement and justify your classification with appropriate reasoning.		CO4
b.	PQR Ltd. is being evaluated using the Asset-Based (Net Asset Value) approach. The following information is available: - Cash and Cash Equivalents: ₹150,000 - Accounts Receivable: ₹300,000 - Inventory: ₹360,000 - Property, Plant, and Equipment: ₹1,500,000 - Total Book Value of Assets: ₹2,350,000 - Accounts Payable: ₹200,000 - Long-Term Debt: ₹700,000 - Contingent Liability (estimated): ₹100,000 Calculate the Net Asset Value (NAV) of the firm after making appropriate adjustments.		CO4
c.	Evaluate which restructuring approach is most effective under different scenarios.		CO5
d.	Omega Electronics Ltd., a leading manufacturer of consumer electronics, decides to merge with Delta Components Pvt. Ltd., a company that supplies key electronic parts used in Omega’s production process. The objective of the merger is to reduce dependency on external suppliers, control input costs, and improve production efficiency. Required: a) Evaluate the above scenario and identify the type of merger involved. b) Justify your answer by examining the relationship between the two companies and the strategic objectives of the merger.		CO5
Q.4		Case Analysis/ Situation Based QUESTIONS – Attempt any Two.	(2X15 = 30 Marks)
a	Critically evaluate the various types of mergers (such as horizontal, vertical, conglomerate, and congeneric mergers). Assess their relative effectiveness in achieving strategic objectives like market expansion, cost efficiency, and diversification. Support your answer with appropriate examples.		CO5
b	XYZ Ltd. is undergoing valuation using the Net Realizable Value (NRV) approach. The company has the following book values: Particulars (₹ in thousand) a. Land and Building: 400 b. Plant and Machinery: 300 c. Inventory: 250 d. Investments: 150 e. Receivables: 200 f. Cash: 100 g. Current Liabilities: 250 h. Long-term Debt: 300 Additional Information: a. Land and Building will fetch ₹200 more. b. Plant and Machinery will fetch ₹50 less. c. Inventory will fetch ₹30 less. d. Receivables will realize ₹40 less. e. Current liabilities of ₹20 will not be payable. Required: a) Determine the Net Realizable Value of the business and justify how your adjustments influence the final valuation.		CO6
c	AMBA Manufacturing Inc. is a medium-sized company engaged in the production of automotive components. The management intends to estimate the value of the firm using a Market-Based Approach (P/E Ratio method) based on comparable company transactions. Comparable Company Data: - Company A (similar size and business model): Sold for \$50 million - Company B (larger with broader operations): Sold for \$75 million - Company C (smaller with niche focus): Sold for \$30 million Financial Information of AMBA Manufacturing Inc.: (a) Net Income: \$10 million (b) EBITDA: \$15 million (c) Revenue: \$100 million Required: a) Design an appropriate valuation model using the P/E ratio approach by selecting and justifying relevant comparable companies. b) Construct the necessary calculations to derive an estimated value of AMBA Manufacturing Inc.		CO6
