



SREENIVASA INSTITUTE OF TECHNOLOGY AND MANAGEMENT STUDIES
(Autonomous)

Department of Management Studies

QUESTION BANK

CORPORATE RESTRUCTURING

SREENIVASA INSTITUTE of TECHNOLOGY and MANAGEMENT STUDIES
(AUTONOMOUS)

(CORPORATE RESTRUCTURING)

QUESTION BANK

II MBA / I - SEMESTER

REGULATION: R22



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MS

BY

FACULTY INCHARGE : DR.JYOSHNA.C, ASSISTANT PROFESSOR

DEPARTMENT : MASTER OF BUSINESS ADMINISTRATION



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CORPORATE RESTRUCTURING

II MBAI Semester

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CORPORATE RESTRUCTURING

Course Educational Objective (CEOs):

CEO1: To provide basic knowledge on corporate restructuring.

CEO2: To understand mergers, acquisitions and economic rationale for M&As and specifically the legal, tax and financial issues.

CEO3: To make aware of takeover process, leverage buyouts and Buyback of shares.

CEO4: To give an elaborate view on governance issues and how M&A can help resolve agency issues that arise from poor governance structures

CEO5: To create awareness on Cross border Mergers and Acquisitions.

UNIT – I An overview of corporate restructuring – Value drivers – Due Diligence Process for M & A – Ethical issues in M & A.

UNIT – II Different forms of mergers – Rationale for mergers and acquisitions – Value creation through mergers and acquisitions – Tax implications – Financing mergers and acquisitions – Merger Negotiations.

UNIT – III Takeovers – Tender offer – Defensive tactics – Leveraged buyouts – Disinvestment – Buyback of shares – Employee Stock Ownership Plans – Creeping acquisitions.

UNIT – IV Regulations for Mergers and Takeovers in India – SEBI Guidelines for takeovers – SEBI Guidelines for buyback of securities – SEBI Guidelines for ESOP.

UNIT – V Cross border Mergers and Acquisitions: Motivations - Opportunities and Threats – Recent cases.



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Course Outcomes:

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On successful completion of the course the student will be able to,		POs related to COs
CO1	Demonstrate knowledge on corporate restructuring.	PO1, PO2, PO5, PO8
CO2	Understand the mergers, acquisitions and economic rationale for M&As and specifically the legal, tax and financial issues.	PO1, PO2, PO8
CO3	Acquire knowledge on takeover process, leverage buyouts, specifically the legal, tax and financial issues	PO1, PO2, PO5, PO8
CO4	Gain awareness on governance issues and how M&A can help resolve agency issues that arise from poor governance structures	PO1, PO2, PO4, PO8
CO5	Understand the Cross border Mergers and Acquisitions	PO1, PO4, PO8

Text Books:

1. Dr.JC.Verma:Corporate Mergers, Amalgamation and Takeovers (Bharat Publishing House), 1997.
2. S.Ramanujam, et al: Mergers – Issues Implications and Case Laws in Corporate, 2019.
3. Restructuring (Tata McGraw Hill) Weston, et al: Takeovers Restructuring and Corporate Governance (Pearson Education), 2013.

References

1. Chandrasekhar Krishnamurti and Viswanath: Mergers Acquisitions and Corporate Restructuring (Response Books), 1990.
2. Kevin K. Boeh and Pall W. Beamish: Mergers and Acquisitions (Sage), 2007.
3. Gordon Donaldson: Corporate Restructuring (Harvard Business School Press), 1994.
4. Ranjan Das: Corporate Restructuring (Tata McGraw Hill), 2004.
5. Krishnamurthi: Mergers, Acquisitions and Corporate Restructuring, 2008.



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Question No.	Questions	PO Attainment
UNIT – 1: An overview of corporate restructuring		
PART-A (Two Marks Questions)		
1	What is corporate restructuring.	PO5,PO8
2	How corporate restructuring contribute to improving a company's performance and competitiveness?	PO5,PO8
3	Identify two key value drivers that can significantly impact a company's overall value.	PO5,PO8
4	What is the purpose of the due diligence process in mergers and acquisitions (M&A)?	PO5,PO8
5	Discuss two critical aspects that are evaluated during the due diligence process in M&A.	PO5,PO8
6	What are the ethical issues that may arise in the context of mergers and acquisitions?	PO5,PO8
7	How can ethical considerations impact the decision-making process in M&A deals?	PO5,PO8
8	Explain the significance of transparency and disclosure of material information during M&A transactions.	PO5,PO8
9	Identify two potential conflicts of interest that may occur during the M&A process.	PO5,PO8
PART-B (Ten Marks Questions)		
1	Discuss the concept of corporate restructuring and the various strategies involved in restructuring a company.	PO5,PO8
2	Evaluate the potential benefits and risks associated with each strategy in restructuring a company.	PO5,PO8
3	Analyze the importance of value drivers in determining a company's overall performance and market value. Provide examples of how different value drivers can impact a company's competitiveness.	PO5,PO8
4	Explain the due diligence process in the context of mergers and acquisitions (M&A).	PO5,PO8
5	Discuss the key components of due diligence and how it helps acquirers make informed decisions.	PO5,PO8
6	Compare and contrast the due diligence process for M&A in domestic and cross-border transactions.	PO5,PO8
7	Discuss the additional complexities and considerations involved in international M&A deals.	PO5,PO8
8	Identify the ethical issues that can arise during the M&A process. Evaluate the impact of these ethical concerns on various stakeholders and the reputation of the companies involved.	PO5,PO8
9	Examine the potential conflicts of interest that may arise during corporate restructuring and M&A activities.	PO5,PO8

Question No.	Questions	PO Attainment
UNIT – 2: Different forms of mergers		
PART-A (Two Marks Questions)		
1	What are the three primary forms of mergers, and how do they differ from each other?	PO2,PO8
2	Explain one strategic rationale for mergers and acquisitions in the business context.	PO2,PO8



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3	How can mergers and acquisitions create value for the acquiring company?	PO2,PO8
4	Discuss one potential tax implication for companies involved in a merger or acquisition.	PO2,PO8
5	Identify two common methods of financing mergers and acquisitions.	PO2,PO8
6	What is the significance of due diligence in the M&A process?	PO2,PO8
7	How can cultural due diligence impact the success of a merger or acquisition?	PO2,PO8
8	What is the importance of negotiation in the M&A process?	PO2,PO8
9	Describe one post-merger integration challenge faced by companies after a merger or acquisition.	PO2,PO8

PART-B (Ten Marks Questions)

1	Compare and contrast horizontal, vertical, and conglomerate mergers, providing examples of each type.	PO2,PO8
2	Analyze the strategic motives behind each form of merger and their impact on the companies involved.	PO2,PO8
3	Evaluate the primary rationale for mergers and acquisitions in the corporate context, considering factors such as market expansion, synergy creation, and competitive advantage.	PO2,PO8
4	Discuss how different rationales of mergers influence the decision-making process in M&A deals.	PO2,PO8
5	Analyze the ways in which mergers and acquisitions can create value for the acquiring company.	PO2,PO8
6	Discuss the value creation potential of mergers and acquisitions. How can companies achieve synergies and create value through M&A transactions?	PO2,PO8
7	Explain the due diligence process in mergers and acquisitions. How does effective due diligence contribute to successful M&A transactions?	PO2,PO8
8	Discuss the potential risks and benefits of conducting comprehensive due diligence.	PO2,PO8

Question No.	Questions	PO Attainment
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UNIT – 3: Takeovers

PART-A (Two Marks Questions)

1	Define "Takeover".	PO2,PO5, PO8
2	Define "Friendly Takeover".	PO2,PO5, PO8
3	Define tender offer.	PO2,PO5, PO8
4	Explain tender offer purpose in the context of mergers and acquisitions.	PO2,PO5, PO8
5	Name one defensive tactic used by target companies to fend off hostile takeovers.	PO2,PO5, PO8
6	Briefly explain the concept of leverage in leveraged buyouts (LBOs).	PO2,PO5, PO8
7	What is the primary objective of disinvestment in a company?	PO2,PO5, PO8
8	Describe one benefit of a share buyback for a company.	PO2,PO5, PO8
9	What is the main purpose of Employee Stock Ownership Plans (ESOPs)?	PO2,PO5, PO8
10	Define creeping acquisitions and discuss their significance for acquiring companies.	PO2,PO5, PO8

PART-B (Ten Marks Questions)

1	Discuss the strategic considerations and potential synergies involved in a vertical merger. Provide real-world examples to support your analysis.	PO2,PO5, PO8
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2	Compare and contrast the tax implications of a stock swap and a cash payment as financing options for mergers and acquisitions.	PO2,PO5, PO8
3	Evaluate the role of due diligence in the M&A process. Identify the key areas of due diligence.	PO2,PO5, PO8
4	Explain how a comprehensive due diligence process can minimize risks and enhance the success of an M&A transaction.	PO2,PO5, PO8
5	Assess the effectiveness of defensive tactics used by target companies to deter hostile takeovers.	PO2,PO5, PO8
6	Analyze the ethical and legal implications of defensive tactics and their impact on shareholder interests.	PO2,PO5, PO8
7	Explain the concept of leveraged buyouts (LBOs), and discuss the potential advantages and disadvantages of using this financing method for acquiring companies.	PO2,PO5, PO8
8	Analyze the reasons behind companies opting for disinvestment. Discuss the potential benefits and challenges associated with disinvestment decision.	PO2,PO5, PO8
9	Assess the advantages and potential pitfalls of implementing Employee Stock Ownership Plans (ESOPs) as a means of aligning employees' interests with those of the company's shareholders.	PO2,PO5, PO8
10	Discuss the concept of creeping acquisitions and their effects on minority shareholders and corporate governance.	PO2,PO5, PO8
Question No.	Questions	PO Attainment
UNIT – 4: Regulations for Mergers and Takeovers in India		
1	What is the purpose of SEBI's guidelines for takeovers in India?	PO2,PO4,PO8
2	Under SEBI regulations, what triggers a mandatory open offer in the case of a substantial acquisition of shares in a listed company?	PO2,PO4,PO8
3	How does the Companies Act, 2013, regulate mergers and amalgamations in India?	PO2,PO4,PO8
4	What is the maximum buyback size allowed under SEBI guidelines for buyback of securities by a listed company?	PO2,PO4,PO8
5	Explain the concept of creeping acquisition and its significance for acquirers in India.	PO2,PO4,PO8
6	What is the minimum vesting period required for Employee Stock Ownership Plans (ESOPs) as per SEBI guidelines?	PO2,PO4,PO8
7	Under the Competition Act, 2002, what is the key consideration for regulatory approval of mergers and amalgamations in India?	PO2,PO4,PO8
8	What information must a company disclose in its annual report regarding the ESOP scheme as per SEBI guidelines?	PO2,PO4,PO8
PART-B (Ten Marks Questions)		
1	Discuss the key provisions of SEBI's (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, and their implications for companies involved in takeovers.	PO2,PO4,PO8
2	Analyze how these SEBI's regulations promote transparency and fairness in the takeover process.	PO2,PO4,PO8
3	Compare and contrast the legal and procedural requirements for mergers and amalgamations under the Companies Act, 2013, and the Competition Act, 2002, in	PO2,PO4,PO8



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	India.	
4	Discuss the various SEBI Guidelines for buyback of securities.	PO2,PO4,PO8
5	Demonstrate the SEBI Guidelines for ESOP.	PO2,PO4,PO8
6	Explain the significance of SEBI's guidelines for buyback of securities in India. Discuss the implications of a company's decision to buy back its shares on its financial position, share price, and investor sentiment.	PO2,PO4,PO8
7	Assess the benefits and challenges associated with implementing Employee Stock Ownership Plans (ESOPs) in Indian companies.	PO2,PO4,PO8

Question No.	Questions	PO Attainment
UNIT – 5: Cross border Mergers and Acquisitions		
PART-A (Two Marks Questions)		
1	What is the primary motivation for companies engaging in cross-border mergers and acquisitions?	PO4,PO8
2	Define cross-border mergers and acquisitions.	PO4,PO8
3	How can cross-border M&A help companies achieve diversification in their business operations?	PO4,PO8
4	What are the potential benefits of cross-border mergers and acquisitions.	PO4,PO8
5	Name one challenge that companies may face due to cultural differences in cross-border mergers and acquisitions.	PO4,PO8
6	How do fluctuations in exchange rates impact the financial performance of cross-border M&A deals?	PO4,PO8
7	How can cross-border mergers and acquisitions contribute to the competitive advantage of the acquiring company?	PO4,PO8
8	Provide one recent example of a cross-border merger or acquisition and briefly describe its strategic significance.	PO4,PO8
PART-B (Ten Marks Questions)		
1	Analyze the motivations behind cross-border mergers and acquisitions and discuss how they differ from domestic M&A transactions. Provide examples to illustrate your points.	PO4,PO8
2	Evaluate the opportunities and challenges of cross-border mergers and acquisitions for companies seeking to expand their global presence.	PO4,PO8
3	Compare and contrast the impact of cultural differences and regulatory complexities on cross-border mergers and acquisitions.	PO4,PO8
4	Discuss the role of due diligence in cross-border mergers and acquisitions. Identify the key areas of concern and risk assessment that companies should focus on during the due diligence process.	PO4,PO8
5	Assess the financial risks associated with cross-border mergers and acquisitions, including currency risk and financing risks.	PO4,PO8
6	Analyze the potential benefits of cross-border mergers and acquisitions in terms of technology and knowledge transfer between countries.	PO4,PO8
7	Discuss the impact of cross-border mergers and acquisitions on employees, both from the acquiring and target companies' perspectives.	PO4,PO8
8	Provide a case study of a recent cross-border merger or acquisition and analyze its strategic significance, challenges faced, and outcomes.	PO4,PO8



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