



BERJAYA BUSINESS SCHOOL

FINAL EXAMINATION

Student ID (in Figures) :

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Student ID (in Words) :

Course Code & Name : **FIN3123 Mergers, Acquisition and Corporate Restructuring**
 Trimester & Year : May – August 2018
 Lecturer/Examiner :
 Duration : 3 Hours

INSTRUCTIONS TO CANDIDATES

- This question paper consists of 2 parts:
 PART A (25 marks) : Answer all THREE (3) short answer questions. Answers are to be written in the Answer Booklet provided.
 PART B (75 marks) : Answer all FOUR (4) structure answer questions. Answers are to be written in the Answer Booklet provided.
- Candidates are not allowed to bring any unauthorized materials except writing equipment into the Examination Hall. Electronic dictionaries are strictly prohibited.
- This question paper must be submitted along with all used and/or unused rough papers and/or graph paper (if any). Candidates are NOT allowed to take any examination materials out of the examination hall.
- Only ballpoint pens are allowed to be used in answering the questions, with the exception of multiple choice questions, where 2B pencils are to be used.

WARNING: The University Examination Board (UEB) of BERJAYA University College regards cheating as a most serious offence and will not hesitate to mete out the appropriate punitive actions according to the severity of the offence committed, and in accordance with the clauses stipulated in the Students' Handbook, up to and including expulsion from BERJAYA University College.

Total Number of pages = 3 (Including the cover page)

PART A
INSTRUCTION(S)

: SHORT ANSWER QUESTIONS (25 MARKS)

: Answer **ALL** questions. Write your answers in the Answer Booklet(s) provided.

Question 1

Define the following terminology

- (a) Corporate restructuring (3 marks)
- (b) Acquiring company (3 marks)
- (c) Target company (3 marks)

[Total: 9 marks]

Question 2

Define the friendly merger and hostile merger. Provide **TWO (2)** different between friendly merger and hostile merger.

(8 marks)

[Total: 8 marks]

Question 3

Define the strategic merger and financial merger. Provide **TWO (2)** different between the strategic merger and financial merger. (8 marks)

[Total: 8 marks]

[Total: 25 marks]

END OF PART A

PART B : STRUCTURE QUESTIONS (75 MARKS)

INSTRUCTION(S) : Answer all **FOUR (4)** questions. Write your answers in the Answer booklet(s) provided.

Question 1

The merger of two small firms or of a small and a larger firm may provide the owners of the small firms with greater liquidity. Explain the increased of ownership liquidity.

(15 marks)

[Total: 15 marks]

Question 2

The goals for merging is maximization of the owners' wealth. Explain **FOUR (4)** motives for merging. Provide the example of your answers.

(20 marks)

[Total: 20 marks]

Question 3

Firms merge to fulfill certain objectives. Briefly describe the **FOUR (4)** types of mergers. Provide the example of your answers.

(20 marks)

[Total: 20 marks]

Question 4

A popular technique that was widely used to make an acquisition is the leveraged buyout, which involves the use of a large amount of debt to purchase a firm. Provide the **THREE (3)** considerations of the leveraged buyout.

(20 marks)

[Total: 20 marks]

[Total: 75 marks]

END OF EXAM PAPER