



**FACULTY OF BUSINESS**

**FINAL EXAMINATION**

Student ID (in Figures) : 

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Student ID (in Words) : \_\_\_\_\_  
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Course Code & Name : **FIN3123 Mergers, Acquisitions and Corporate Restructuring**  
Semester & Year : September - December 2024  
Lecturer/Examiner : Assoc Prof Dr. Akram Al-Khaled  
Duration : 3 Hours

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**INSTRUCTIONS TO CANDIDATES**

1. This question paper consists of one part:  
**PART A (100 marks) : Answer only FOUR (4) essay questions out of 5 questions given. Answers are to be written in the Answer Booklet provided.**
2. Candidates are not allowed to bring any unauthorized materials except writing equipment into the Examination Hall. Electronic dictionaries are strictly prohibited.
3. 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.
4. Only ballpoint pens are allowed to be used in answering the questions, except for 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 = 4 (Including the cover page)**

**PART A : ESSAY QUESTIONS (100 MARKS)**

**INSTRUCTION(S) :** Answer **ONLY FOUR (4)** questions. Write your answers in the Answer Booklet provided.

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**Question 1**

- a) In the context of business acquisitions, codes of takeover play a crucial role in ensuring that the process is fair, transparent, and in compliance with legal and ethical standards. These principles govern the conduct of parties involved, protecting the interests of shareholders and maintaining market integrity. Understanding these principles is fundamental for anyone involved in corporate finance or mergers and acquisitions. Elaborate on **FIVE (5)** fundamental principles established in the code of takeover.

(15 Marks)

- b) Acquiring a public company is a complex process that typically unfolds in several stages, each involving specific legal, financial, and strategic considerations. These stages help to systematically guide the transaction from its inception to the final integration of the acquired entity. A clear understanding of these stages is essential for executing a successful acquisition. Describe the **FIVE (5)** main stages involved in the acquisition process of a public company that organizations typically go through.

(10 Marks)

**(Total: 25 marks)**

**Question 2**

- a) In the business world, mergers and acquisitions (M&As) are typically pursued with the aim of forming a stronger, more competitive organization by harnessing increased market influence and operational efficiencies. These strategic moves are often driven by the goal of creating synergies, promoting growth, and ultimately enhancing shareholder value. Nevertheless, despite these promising objectives, M&As are inherently complicated undertakings that frequently fall short of achieving their desired results. Gaining a comprehensive understanding of the critical factors that contribute to the failure of M&As is vital to overcoming these obstacles and enhancing the chances of successful integration. Evaluate **FIVE (5)** reasons why mergers & acquisitions fail, and provide the relevant example to each reason.

(15 Marks)

- b) Before diving into corporate restructuring strategies, it's essential to recognize that businesses often face unique challenges that require tailored approaches to ensure their sustainability and growth. To navigate these complexities, companies must implement restructuring plans that align with their specific circumstances and strategic objectives. Propose **FIVE (5)** comprehensive corporate restructuring plans, each specifically designed to address different business scenarios and challenges.

(10 Marks)

**(Total: 25 marks)**

### Question 3

- a) Mergers and acquisitions (M&A) play a significant role in the strategic growth and development of businesses. Companies often engage in M&A activities to enhance their competitive edge, optimize resources, or expand into new markets. By bringing together resources, capabilities, and market positions, mergers and acquisitions can create synergies that drive greater efficiency and profitability. Discuss **FIVE (5)** advantages of mergers & acquisitions.

(15 Marks)

- b) In today's dynamic business environment, organizations often reassess their strategies to adapt to changing market conditions, optimize their operations, or focus on core competencies. One strategic approach that companies may consider is divestiture, which involves the sale, liquidation, or spin-off of a business unit or subsidiary. Understanding the rationale behind such decisions is crucial to comprehending how firms aim to maximize value and streamline their operations. Analyse **FIVE (5)** primary reasons for divestiture.

(10 Marks)

**(Total: 25 marks)**

### Question 4

- a) When navigating complex financial and strategic challenges, companies must occasionally make difficult decisions about their future. One such decision involves choosing to liquidate the business voluntarily. While voluntary liquidation might seem counterintuitive at first, it is sometimes a practical step that aligns with the company's broader objectives or financial situation. Understanding the motivations behind such a decision can provide valuable insights into the company's strategic planning. Suggest **FIVE (5)** potential reasons why a company might decide to pursue voluntary liquidation.

(15 Marks)

- b) Mergers and acquisitions (M&A) are strategic moves that companies often undertake to expand their operations, enter new markets, or gain competitive advantages. To determine the success of these ventures, it is crucial to measure the firm's performance through specific indicators that reflect both financial and operational outcomes. Considering the complexities involved, it becomes essential to focus on precise metrics that can offer valuable insights into the overall effectiveness of the merger or acquisition. Examine **FIVE (5)** key indicators used to assess a firm's performance under the merger and acquisition performance tracker.

(10 Marks)

**(Total: 25 marks)**

### Question 5

- a) In the domain of corporate finance, mergers and acquisitions play a pivotal role in driving business growth and achieving strategic objectives. Companies often utilize takeovers to expand their operations, acquire new technologies, or enter new markets and customer segments. A takeover occurs when one company attempts to gain control of another, and the manner in which this is carried out can significantly impact the transaction's outcome. Explain **FIVE (5)** types of takeover bids.

(15 Marks)

- b) In the realm of corporate takeovers, companies often employ different strategies to gain control over another company. Two common approaches in this context are the 'bear hug' and the 'proxy fight.' Although they both aim to influence or acquire a target company, they differ significantly in their execution and underlying tactics. Distinguish **FIVE (5)** differences between a bear hug and a proxy fight.

(10 Marks)

**(Total: 25 marks)**

**END OF EXAM PAPER**