SEBI- GRADE A
MERGER & TAKEOVERS
PART-3
PRACTICE QUESTIONS
Q.1) Which of the following is not one of the motives behind mergers-
[a] Synergy
[b] Economies of scale
[c] Increase Market share
[d] Enhance competition in the market
Q.2) Which of the following refers to a friendly company which buys a stake in a target company to prevent a hostile takeover-

[a] White Squire  
[b] Pacman  
[c] Poison pills  
[d] Reverse takeover
Q.3) Which of the below refers to the additional compensations to the target’s top management in the case of termination of its employment following a successful hostile acquisition-

[a] Shark repellants  
[b] Green mail  
[c] Golden Parachute  
[d] Crown jewels
Q.4)----------is a strategy in which the target company sells off its most attractive assets to a friendly third party or spin off the valuable assets in a separate entity making it unattractive for the bidder to go for takeover-

[a] Shark repellants
[b] Green mail
[c] Standstill agreements
[d] Crown jewels
Q.5) ------- is a business strategy of acquiring management of the target company - either directly or indirectly, the motive of the acquirer is to gain control over the board of directors of the target company for synergy in decision making.

[a] Merger
[b] Takeover
[c] Amalgamation
[d] Acquisition