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

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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