SEBI- GRADE A

MERGER & TAKEOVERS
PART-4
PRACTICE QUESTIONS
Q.1) ------------ refers to the strategy in which the acquirer first approaches the promoters/management of the target company for negotiating and acquiring the shares. It is for the mutual advantage of acquirer and acquired companies.

[a] Friendly takeover 
[b] Merger 
[c] Hostile takeover 
[d] Slump sale
Q.2) _______________is a purchase of the target’s shares in an open market. They allow the acquirer to become a shareholder of the target and provide an opportunity to sue the target later on if the takeover attempt turns out unsuccessful.

[a] Book building
[b] Green Shoe option
[c] Open Market operations
[d] Toe hold Acquisition
Q.3)----------------- is a purchase by the target of its own-issued shares from its shareholders in order to prevent hostile takeovers.

[a]  Buy-back of shares
[b]  Stock Purchase
[c]  Leverage buyout
[d]  Reverse Purchase
Q.4) ___________ is a distribution to the target’s shareholders of the rights to purchase shares of the target or the merging acquirer at a substantially reduced price. What triggers an execution of these rights is an acquisition by an acquirer of certain percentage of the target’s shareholding.

[a] Greenmail  
[b] Poison Pill  
[c] Super Majority Clause  
[d] Reverse merger
Q.5) ------------is a buyout by the target of its own shares from the hostile acquirer with a premium over the market price, which results in the acquirer’s agreement not to pursue obtaining control of the target in the near future.

[a] Standstill agreements
[b] Reverse Takeover
[c] Green mail
[d] Crown jewels