SEBI - GRADE A

MERGER, AMALGAMATIONS & TAKEOVERS

Part-1

PRACTICE QUESTIONS
Q.1) What is/are a type of merger between two or more enterprises that are at the same stage of the production chain and in the same market known as-

1. Horizontal Merger
2. Vertical Merger
3. Conglomerate merger
4. Reverse Merger

a) 1 & 4 only
b) 2, 1 & 4 only
c) 4 only
d) 1 only
Q.2) A situation in which Electronic and food related firms come together in order to pool financial and other resources—

[a] Horizontal Merger  
[b] Vertical Merger  
[c] Conglomerate Merger  
[d] Reverse Merger
Q.3) A situation in which two or more existing transferor companies merge together to form a new company, whereby transferor companies lose their existence and their shareholders become the shareholders of the new company is known as-

[a] Merger
[b] Takeover
[c] Amalgamation
[d] Acquisition
Q.4) A situation where a private company acquires a public company for the purpose being for the private company to effectively float itself while avoiding some of the expense and time involved in a conventional IPO is known as –

[a] Hostile takeover
[b] Friendly takeover
[c] Reverse takeover
[d] Private takeover
Q.5) A situation where the acquiring company turns itself into a subsidiary of the purchased company. This type of situation can occur when a larger but less well-known company purchases a struggling company with a very well-known brand and is known as-

[a] Hostile takeover
[b] Front Flip takeover
[c] Reverse takeover
[d] Back flip Takeover