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S. No. of Question Paper	: **6201**
Unique Paper Code	: **2923062017**
Name of the Paper	: **Mergers Acquisitions and Corporate Restructuring (DSE)**
Name of the Course	: **Bachelor of Management Studies (UGCF) NEP 2025**
Semester	: **IV/VI**

Duration : **3 Hours** Maximum Marks : **90**

(Write your Roll No. on the top immediately on receipt of this question paper.)

Attempt any *five* questions.

All questions carry equal marks.

Use of simple calculator is allowed.

1. **The Eclectic Paradigm**

In 2008, Tata Motors, an Indian automobile giant, acquired British luxury brands Jaguar and Land Rover (JLR) from Ford for $2.3 billion. The acquisition was guided by the Eclectic Paradigm (OLI Model), which evaluates Ownership, Location, and Internalization advantages in foreign direct investment decisions.

P.T.O.

Despite the global financial crisis, Tata Motors leveraged structured financing and internal reserves to complete the deal. The acquisition aligned with its goal of entering the luxury market, expanding beyond commercial vehicles. Owning JLR also granted access to advanced automotive technology, including high-performance engines and luxury design expertise, enhancing Tata's own R&D capabilities.

The UK's strong automotive ecosystem further supported Tata's decision. JLR's established manufacturing plants, extensive supply chains, and highly skilled workforce reduced operational risks. Additionally, its presence in the UK provided strategic access to European and North American markets. The brand's advanced research facilities helped Tata strengthen its capabilities in electrification and autonomous driving technologies.

Tata Motors opted for full acquisition instead of licensing or joint ventures to retain complete control over JLR's operations. This approach allowed streamlined decision-making, better cost efficiency and direct access to proprietary designs, patents and branding. By internalizing JLR, Tata minimized risks from third-party dependencies while maximizing profitability.

Though initially facing financial strain and scepticism, Tata's strategic investments in new models and global markets revitalized JLR. By 2015, JLR had become a key revenue driver, demonstrating the long-term success of Tata's acquisition strategy.

Analytical Questions :

(*a*) How did Tata Motors' ownership advantages influence its ability to integrate JLR ?

(*b*) What location factors made the UK an attractive investment destination for Tata ?

(*c*) Why did Tata Motors prefer full acquisition over other entry strategies, and what risks did it face ? 6+6+6

2. (*a*) How does the Competition Act, 2002 address monopolies and abuse of dominant positions ? 9

(*b*) Explain the different types of takeovers as per the SEBI Takeover Code 2011. How do open offers and creeping acquisitions work under the regulatory framework ? 9

3. If an acquiring company (Company A) has total earnings of Rs. 30 Lakhs, 8 Lakhs outstanding shares, and a market price of Rs. 14 per share, calculate the maximum exchange ratio. The target company (Company B) has total earnings of Rs. 16 Lakhs, 5 Lakhs outstanding shares. Assuming the P/E ratio of the merged firm is 35, 40, 45, or 50, calculate the maximum exchange ratio that would be acceptable to the shareholders of Company A at different levels of P/E multiple. 18

4. Calculate the Economic Value Added (EVA) for Company A, given the following details : 18

- Share capital (Equity) : Rs. 2000 Lakhs
- 12% (before tax) Debentures : Rs. 1000 Lakhs
- PE ratio : 5 Times
- Profit before tax : Rs. 770.00 Lakhs
- Financial Leverage : 1.5
- Tax Rate : 30%

5. (*a*) What is a strategic alliance ? What types of strategic alliances can Cipla Ltd., a pharmaceutical company, form with hospital chains in India ? 9

   (*b*) In the fast-changing global environment, Corporate Restructuring for a firm has become need of an hour. Explain. 9

6. (*a*) Outline the procedure involved in a fast-track merger. 9

   (*b*) Discuss the concept of cross border merger and give *one* example of successful cross border merger. 9