

SECTION – II

Q. 4. Case Study **(15)**

Following is the information provided of Acquirer Company Akshay Ltd. and Target Company Tangent Ltd.

	Akshay Ltd.	Tangent Ltd.
Earnings After Tax (Rs.) (in lakhs)	10000	20000
No. of Shares (in lakhs)	800	4000
P / E Ratio	20	10

Determine :

- a. Swap Ratio based on current Market Prices
- b. Post Merger EPS of Akshay Ltd.

Q. 5. Answer the following: **(10)**

- a) Discuss how diversification and taxation results in synergy benefits in Mergers and Acquisitions.

OR

- b) Explain the technical meaning of the following terms Absorption, Amalgamation and Reconstruction.
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