

# 43 Lecture - MGT201

## Important Subjective

1. **What are the main benefits of M&A?**

Answer: The main benefits of M&A include increased market share, economies of scale, access to new markets and technologies, and cost savings.

2. **What are the main risks of M&A?**

Answer: The main risks of M&A include cultural clashes, integration issues, financial risks, and regulatory issues.

3. **What is the difference between a merger and an acquisition?**

Answer: A merger is the combination of two or more companies to form a new entity, while an acquisition is the purchase of one company by another.

4. **What is the role of due diligence in M&A?**

Answer: Due diligence is the process of evaluating the financial and legal aspects of a company before acquisition. It is essential to identify any potential issues that could affect the value or success of the acquisition.

5. **What is the difference between a horizontal and a vertical merger?**

Answer: A horizontal merger involves two companies in the same industry, while a vertical merger involves two companies in different stages of the supply chain.

6. **What is a friendly takeover?**

Answer: A friendly takeover is a takeover in which the acquiring company and the target company mutually agree to the acquisition terms.

7. **What is a poison pill defense?**

Answer: A poison pill defense is a strategy used by a target company to discourage a hostile takeover by making the acquisition less attractive to the acquirer.

8. **What is a reverse merger?**

Answer: A reverse merger is a process in which a private company acquires a public company, allowing the private company to become publicly traded without going through the traditional IPO process.

9. **What is a roll-up acquisition?**

Answer: A roll-up acquisition is a strategy in which a company acquires several smaller companies in the same industry, consolidating them to achieve economies of scale and increase market share.

10. **What is a cross-border merger?**

Answer: A cross-border merger is a merger between companies from different countries. It can be challenging due to differences in culture, regulations, and legal systems.