

Merger and Acquisitions (Postgraduate)

FIN-ISS416

Course Description

This course presents the theories and empirical evidence on mergers, acquisitions, and restructuring, and analyzes the effects of various policy options on stock values of acquirer and target companies. Findings on the reaction of stock prices to information on control transactions will be used to analyze the effects of various policy options in such transactions. Topics include valuating acquisition targets, methods of payment in acquisitions, strategies of acquisition, the use of leverage in acquisitions and the effects of acquisitions on bond values, major legal issues, case laws and defensive measures against hostile acquisitions. The course combines lecture material, analysis of cases, quantitative and qualitative analysis, and discussions of relevant news of such transactions. There will be an emphasis on fundamental concepts of valuation and other areas of corporate finance related to M&As.

Required Texts

Mergers, Acquisitions, and Corporate Restructurings, 7th Edition by Patrick A. Gaughan

Supplemental materials will be handed out in class. They are also available in your student center.

Prerequisite

Postgraduate status needed. Please contact your assigned advisor for enrollment if you are non-degree seeking students.

Course Requirements

Component	Course Weight
Midterm Exam	30%
Final Exam	40%
Project & Presentation	20%
Class Participation	10%

Learning Outcomes

- Be able to analyze mergers and acquisitions of various types,
- Understand the ways of capturing the value drivers through mergers and acquisitions
- Acquire skills in evaluation of target companies and the deals' value
- Make educated decisions on taking strategic investments
- Compose consolidated balance of the merged company
- To find the ways of value growth through integration of merging companies
- To be prepared for taking ethical and reasonable, data-driven decisions on mergers and acquisitions, timely and in a persuasive manner
- To give some ideas about the defense strategies in the cases of the hostile takeovers attempts;
- Prepared to take ethical decisions in strategic investments
- Understand the sources of funding for mergers and acquisitions
- Demonstrate innovative financial decisions in mergers and acquisition; To structure the deal
- Be able to structure the deals; to know the main sources for LBO deals funding

Evaluation and Grading

A	93-100	B-	80-82	D+	67-69
A-	90-92	C+	77-79	D	63-66
B+	87-89	C	73-76	D-	60-62
B	83-86	C-	70-72	F	0-59

Course Hours

The course has 20 class sessions in total. Each class session is 150 minutes in length, for a total of 3000 minutes of in-class time. Students are expected to spend 15-20 hours per week outside of class. The University awards 4 credits for this course. Different universities may count course credits differently. Consult officials at your own home institution.

Attendance

Occasionally, due to illness or other unavoidable circumstance, a student may need to miss a class. The University's policy requires a medical certificate to be excused. Any absence may impact on the student's grade. Moreover, **the University's policy is that a student who has more than 3 absences will fail the course. Arriving late or leaving early will count as a partial absence.**

Academic Honesty

The University expects all students to do their own work. Instructors will fail assignments that show evidence of plagiarism or other forms of cheating and will also report the student's name to the University administration. A student reported to the University for cheating is placed on disciplinary probation; a student reported twice is suspended or expelled.

Disability Accommodation

Any student who needs special accommodation due to the impact of disability should inform the University within 10 days before the program starts.

Tentative Schedule

Lecture	Contents	Readings
1	• Introduction to the Course	Chapter 1
2	• History of Mergers	Chapter 2
3	• History of Mergers	Chapter 2
4	• Legal Framework	Chapter 3
5	• Merger Strategy	Chapter 4
6	• Merger Strategy	Chapter 4
7	• Antitakeover Measures	Chapter 5
8	• Takeover Tactics	Chapter 6
9	• Hedge Funds as Activist Investors	Chapter 7
	<i>Midterm</i>	
10	• Leveraged Buyouts	Chapter 8
11	• Leveraged Buyouts	Chapter 8
12	• The Private Equity Market	Chapter 9
13	• High-Yield Financing and the Leveraged Loan Market	Chapter 10
14	• Corporate Restructuring	Chapter 11
15	• Restructuring in Bankruptcy	Chapter 12
16	• Corporate Governance	Chapter 13
17	• Joint Ventures and Strategic Alliances	Chapter 14
18	• Valuation	Chapter 15
19	• Tax Issues in M&A	Chapter 16
20	• Review	
	<i>Final Exam</i>	