



**MASTER IN BUSINESS ADMINISTRATION (MBA)
FINA 5513A**

MERGERS & ACQUISITIONS

COURSE OUTLINE FALL 2017

Instructor: Michael Reynolds
Office: DT1009A
Office Hours: Tuesdays 3:30pm to 5:30pm
 Fridays 12:00pm to 2:00pm
 ➤ Or by appointment
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Course meets: Mondays 8:35am to 11:25am
Room: DT 328

GRADUATE CALENDAR DESCRIPTION

(from the 2017/2018 University calendar)

Theory and practice of mergers and acquisitions. Skills needed to be effective in mergers and acquisitions. Best practices in deal origination, design, implementation and post merger integration. Precludes additional credit for BUSI 5500.

PREREQUISITES:

FINA 5512 Valuation

COURSE DESCRIPTION

This course focuses on the theory and practice of mergers and acquisitions (M&A). It seeks to equip managers or future managers with the required knowledge, skills and techniques required to be effective and successful in the M&A or investment banking world. The course is divided into two discrete aspects.

The first involves developing an in-depth understanding of how and when to apply the appropriate tools and skills to successfully complete mergers and acquisitions transactions. In this regard, we will discuss, among others, the M&A process, M&A valuation and modelling, deal structuring and financing and M&A strategies.

The second aspect involves the application of what has been learned to solving real world mergers and acquisitions problems.

To enhance the learning experience you will form groups to: (i) solve cases, (ii) perform an analysis of an completed M&A transaction, & (iii) develop a acquisition plan with the objective of convincing corporate decision makers, investors &/or lenders investors to approve/invest/lend in your proposed project.

COURSE OBJECTIVES

To provide students with knowledge of:

- The takeover/merger (and divestiture) market/environment;
- how value is created (or destroyed) through corporate mergers and acquisitions;
- commonly used takeover tactics and defenses and the process;
- financial modelling tools to evaluate mergers and acquisitions transactions;
- a highly practical “planning based approach” to managing the acquisition process;
- how various components of the deal structuring process interact to determine the acquisition price;
- how the numerous tools and skills that have been learned in this and other courses (FINA 5512) are used in an integrated manner in completing an acquisition.

LEARNING OUTCOMES

On successful completion of this course the students will be able to:

- discuss the motives for mergers and acquisitions (and divestiture and LBOs);
- understand and analyze the strategic issues involved in mergers and acquisitions;
- understand, describe (and apply) takeover and defensive strategies that are employed by bidders and targets;
- evaluate the merits of hostile takeovers and the role of M&A arbitrageurs;
- understand the underlying value behind a M&A deal

WHO SHOULD TAKE THIS COURSE?

Those who are seeking to become (or currently are) M&A professionals, investment bankers, entrepreneurs, financial analysts, chief financial officers, operating managers, portfolio managers, investors, business development managers, strategic planning managers, bank lending officers, auditors, venture capitalists, business appraisers, human resource managers, risk managers, or those who simply have an interest in mergers and acquisitions.

REQUIRED TEXT

The Textbook for this course is: *Mergers, Acquisitions, and Other Restructuring Activities: An Integrated Approach to Process, Tools, Cases, and Solutions*, (MARA) 8th edition, by Donald M. DePamphilis, Academic Press, 2015

ADDITIONAL RESOURCES

There are numerous websites that provide comprehensive daily coverage of financial & economic news as well as websites that cover recent or potential M&A activity. In addition to Bloomberg, Reuters and other news/data services, the following are some suggested web sites:

FINANCIAL & ECONOMIC NEWS GENERAL

- <http://www.bnn.ca/>
- <https://www.theglobeandmail.com/report-on-business/>
- <http://www.cbc.ca/news/business>
- <https://www.ft.com/canada?mhq5j=e1>
- <http://money.cnn.com/>
- <http://www.wsj.com/public/page/news-financial-markets-deals.html>
- <https://www.economist.com/>

M & A SPECIFIC

- <http://business.financialpost.com/tag/mergers-and-acquisitions>
- <https://seekingalpha.com/market-news/m-a>
- <http://www.marketwatch.com/topics/subjects/mergers-and-acquisit>

GRADING (Due Dates are *subject to change*:)

	NATURE	DUE DATES	WEIGHTING
INDIVIDUAL			
Assessment 1	1 Quiz	Oct 2 nd	10%
Assessment 2	Final Exam	Oct 30 th	30%
GROUP			
Assessment 3	Completed M&A Analysis Project	Sept 18 th	10%
Assessment 4	1 Cases	Case#1 Oct 2 nd	15%
Assessment 5	Acquisition Proposal	Oct 16 th	35%
TOTAL			100%

Drop Course Policy:

The deadline for academic withdrawal is the last day of classes (each term).

GROUP WORK:

As noted below this course involves extensive group work. During the first class groups of 4 to 5 students will be established. Students can choose their own groups. Each group should email the professor the names & student numbers of each group member following the first class.

COMPLETED M&A ANALYSIS PROJECT (10% GROUP):

Each group will analysis an actual M&A transaction where the bidding company & the target company stock's trade on a public exchange in either Canada of the USA.

The transaction should have completed in the past five years.

Each group should select its M&A transaction as soon as possible and e-mail the bidder & target company to the professor as soon as possible. **Each group must select a different M&A transaction** and must obtain instructor approval.

Each group will be responsible for:

- (i) submitting a **hard copy** detailed write up of their analysis;
- (ii) **presenting** their analysis findings to the class.

Details regarding this project will be discussed in the first class.

See class schedule for deadline.

CASE ANALYSIS (15% GROUP):

One case will be assigned during the term.

Each group will be responsible for:

- (i) submitting a **hard copy** detailed write up of the assigned case;

- (iii) **presenting** their case submission to the class.

Case structure and requirements will be discussed in class.

See class schedule for case submission deadlines.

ACQUISITION PROPOSAL (35% GROUP):

Each group will act as the CEO of an acquisition minded company to investigate the financial aspects of a target company listed on a public exchange in either Canada or the USA for the purpose of takeover. Your group will be required to prepare an acquisition proposal.

You should choose your companies ((bidder and target) and email the names of the companies to the instructor soon as possible. **Each group must select a different potential M&A transaction** and must obtain instructor approval.

The goal of this exercise is to provide you an opportunity to apply the concepts that will be discussed in class to a real company.

Each group will be responsible for:

- (i) submitting a **hard copy** detailed write up of the assigned cases;
- (ii) **presenting** their case submission to the class.

Details regarding this project will be discussed in the during the term.

See class schedule for deadline.

QUIZ (10%):

There will be one in-class quiz. The quiz will be 60 minutes in duration and the questions will be multiple choice, true/false questions and problems.

Note that there will be **no make-up quizzes**. Students that miss a quiz (s) will have the respective **quiz weight added to that of the final exam**.

See class schedule for quiz date.

FINAL EXAM (30%)

The final examination will test your understanding of the concepts covered in both the lecture and case components of the course. The exam format will be explained during the last week of class.

The final exam will be on Oct 30th, the Monday during our regular class hours (8:35am to 11:25am). This is the Monday following the fall study break.

If for any reason a student does not write the final exam, the student must apply to the Registrar's Office to obtain permission to write a deferred examination.

Deferred Final Examination:

Students unable to write a final examination because of illness or other circumstances beyond their control must contact the instructor and the MBA office in writing to request a deferred exam. Permission may be granted when the absence is supported by a medical certificate and or appropriate document/s to support the reason for the deferral.

COURSE SCHEDULE (*tentative & subject to change*):

WK	DATE	TOPICS	TEXT CHAPTERS
1	Sept 11	Introduction: The M&A Environment	1
2	Sept 18	Acquisition process: Acquisition plan COMPLETED M&A ANALYSIS PROJECT	4
3	Sept 25	Deal origination and due diligence review	5
4	Oct 2	Deal structuring and M&A financing strategy: Form of Payment QUIZ #1	11
5	Oct 13 <i>Friday</i> <i>DT 701</i>	Cross border mergers and acquisitions CASE #1	18
6	Oct 16	Takeover tactics and Defensive strategies ACQUISITION PROPOSAL PROJECT	3
		<i>FALL BREAK OCT 23 -27</i>	
	OCT 30	FINAL EXAM	

Course Sharing Websites

Student or professor materials created for this course (including presentations and posted notes, labs, case studies, assignments and exams) remain the intellectual property of the author(s). They are intended for personal use and may not be reproduced or redistributed without prior written consent of the author(s).

Policy on Mobile Devices

The use of mobile devices IS NOT PERMITTED in this class. It is disruptive to the instructor and class members. If you carry such a device to class, please make sure it is turned off. If an emergency situation requires you to keep it turned on, please discuss this with your instructor prior to class.

Group Work

The Sprott School of Business encourages group assignments in the school for several reasons. They provide you with opportunities to develop and enhance interpersonal, communication, leadership, followership and other group skills. Group assignments are also good for learning integrative skills for putting together a complex task. Your instructor may assign one or more group tasks/assignments/projects in this course.

Before embarking on a specific problem as a group, it is your responsibility to ensure that the problem is meant to be a group assignment and not an individual one.

Person with Disabilities

The Paul Menton Centre for Students with Disabilities (PMC) provides services to students with Learning Disabilities (LD), psychiatric/mental health disabilities, Attention Deficit Hyperactivity Disorder (ADHD), Autism Spectrum Disorders (ASD), chronic medical conditions, and impairments in mobility, hearing, and vision. If you have a disability requiring academic accommodations in this course, please contact PMC at 613-520-6608 or pmc@carleton.ca for a formal evaluation. If you are already registered with the PMC, contact your PMC coordinator to send me your Letter of Accommodation at the beginning of the term, and no later than two weeks before the first in-class scheduled test or exam requiring accommodation (if applicable). Requests made within two weeks will be reviewed on a case-by-case basis. After requesting accommodation from PMC, meet with me to ensure accommodation arrangements are made. Please consult the PMC website (www.carleton.ca/pmc) for the deadline to request accommodations for the formally-scheduled exam (if applicable).

Religious Observance

Students requesting academic accommodation on the basis of religious observance should make a formal, written request to their instructors for alternate dates and/or means of satisfying academic requirements. Such requests should be made during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist, but no later than two weeks before the compulsory academic event. Accommodation is to be worked out directly and on an individual basis between the student and the instructor(s) involved. Instructors will make accommodations in a way that avoids academic disadvantage to the student.

Students or instructors who have questions or want to confirm accommodation eligibility of a religious event or practice may refer to the Equity Services website for a list of holy days and Carleton's Academic Accommodation policies, or may contact an Equity Services Advisor in the

Equity Services Department for assistance.

Pregnancy

Pregnant students requiring academic accommodations are encouraged to contact an Equity Advisor in Equity Services to complete *a letter of accommodation*. The student must then make an appointment to discuss her needs with the instructor at least two weeks prior to the first academic event in which it is anticipated the accommodation will be required.

Academic Integrity

Violations of academic integrity are a serious academic offence. Violations of academic integrity – presenting another’s ideas, arguments, words or images as your own, using unauthorized material, misrepresentation, fabricating or misrepresenting research data, unauthorized co-operation or collaboration or completing work for another student – weaken the quality of the degree and will not be tolerated. Penalties may include expulsion; suspension from all studies at Carleton; suspension from full-time studies; a refusal of permission to continue or to register in a specific degree program; academic probation; and a grade of Failure in the course, amongst others. Students are expected to familiarize themselves with and follow the Carleton University Student Academic Integrity Policy which is available, along with resources for compliance at: <http://carleton.ca/studentaffairs/academic-integrity/>.