



## Course and Examination Fact Sheet: Spring Semester 2018

### 8,192: Mergers and Acquisitions

ECTS credits: 2

#### Overview examination/s

(binding regulations see below)

Decentral - Written examination (70%, 60 mins.)

Decentral - Group examination paper (all given the same grades) (30%)

#### Attached courses

Timetable -- Language -- Lecturer

[8,192,1.00 \\*Mergers and Acquisitions](#) -- Englisch -- [Maug Ernst](#)

#### Course information

#### Course prerequisites

- General knowledge of corporate finance.
- General knowledge of financial accounting (financial ratios, balance sheets, income statements).
- Valuation techniques (DCF, WACC, using the CAPM to calculate cost of capital, unlevering and relevering betas.)

Students should know how to interpret event studies for stock prices (computing abnormal returns, cumulative abnormal returns, t-statistics, p-values).

#### Course content

The topic of this course is the restructuring of corporations through mergers, acquisitions and divestitures. This course will present the theories and empirical evidence on M&A transactions, the process of evaluating acquisition targets and its application in practice. The purpose of the lecture is to provide an understanding of restructuring processes and to provide an analytic framework to analyze the motivation of these activities and their individual merits. A special focus will be on the economic analysis of corporate strategy and the contractual structures of various types of transactions. The course will discuss empirical studies on stock price reactions to M&A announcements and what we can learn from them.

The class will combine lecture material, quantitative and qualitative analyses and discussions of relevant news. There will be an emphasis on fundamental concepts of valuation and other areas of corporate finance related to M&As. It is important that at least one member of each group has a good command of valuation techniques.

#### Course structure



- M&A and corporate strategy. Reasons for M&As, which are right and which are wrong. Merger strategies.
- The optimal boundaries of the firm; internal markets; the advantages and disadvantages of conglomerates.
- Value creation through M&As. What are synergies? How you measure value creation in deals? Distinguish value creation from value transfers. Issue of other stakeholders (employees, bondholders, public).
- Valuation of merger targets. How does it depend on means of payment (stock, cash)?
- The takeover process. Two-tier offers, auctions and winner's curse.
- Types of acquisitions, buyouts. Types of acquirors, including financial investors (e.g., private equity).
- Financing acquisitions: stock, cash, leverage.

## Course literature

Literature will be announced shortly before and during the course.

## Additional course information

--

## Examination information

### Examination sub part/s

#### 1. Examination sub part (1/2)

##### Examination time and form

Decentral - Written examination (70%, 60 mins.)

##### Remark

Final exam

##### Examination-aid rule

Extended Closed Book

The use of aids is limited; any additional aids permitted are exhaustively listed under "Supplementary aids". Basically, the following is applicable:

- At such examinations, all the pocket calculators of the Texas Instruments TI-30 series and mono- or bilingual dictionaries (no subject-specific dictionaries) without hand-written notes are admissible. Any other pocket calculator models and any electronic dictionaries are inadmissible.
- In addition, any type of communication, as well as any electronic devices that can be programmed and are capable of



communication such as notebooks, tablets, PDAs, mobile telephones and others, are inadmissible.

- Students are themselves responsible for the procurement of examination aids.

## Supplementary aids

-

## Examination languages

Question language: English

Answer language: English

---

## 2. Examination sub part (2/2)

### Examination time and form

Decentral - Group examination paper (all given the same grades) (30%)

### Remark

Group case study

### Examination-aid rule

Term papers

- Term papers must be written without anyone else's help and in accordance with the known quotation standards, and they must contain a declaration of authorship.
- The documentation of sources (quotations, bibliography) has to be done throughout and consistently in accordance with the APA or MLA standards. The indications of the sources of information taken over verbatim or in paraphrase (quotations) must be integrated into the text in accordance with the precepts of the applicable quotation standard, while informative and bibliographical notes must be added as footnotes (recommendations and standards can be found, for example, in METZGER, C. (2015), *Lern- und Arbeitsstrategien* (11th ed., 4th printing). Aarau: Sauerländer).
- For any work written at the HSG, the indication of the page numbers both according to the MLA and the APA standard is never optional.
- Where there are no page numbers in sources, precise references must be provided in a different way: titles of chapters or sections, section numbers, acts, scenes, verses, etc.
- For papers in law, the legal standard is recommended (by way of example, cf. FORSTMOSER, P., OGOREK R. et SCHINDLER B. (2014, *Juristisches Arbeiten: Eine Anleitung für Studierende* (5. Auflage), Zürich: Schulthess, or the recommendations of the Law School).

## Supplementary aids

-

## Examination languages

Question language: English

Answer language: English

---

## Examination content

Grading consists of the following parts:

- Group case study: Case study will be given to course participants on March, 8th, 2018. Submission of the case study will take place during the lectures (exact date will be announced). Students will be randomly assigned to groups. (30% of the grade)

- Final exam: Taking place in the second half of the spring semester. Exact date will be communicated during the course. (70% of grade).



## Examination relevant literature

The relevant literature for the final exam will be indicated in the lectures.

### Please note

We would like to point out to you that this fact sheet has absolute priority over other information such as StudyNet, faculty members' personal databases, information provided in lectures, etc.

When will the fact sheets become binding?

- Information about courses and examination time (central/decentral and grading form): from the start of the bidding process on 25 January 2018
- Information about decentral examinations (examination-aid rule, examination content, examination relevant literature): after the 4th semester week on 19 March 2018
- Information about central examinations (examination-aid rule, examination content, examination relevant literature): from the start of the enrolment period for the examinations on 09 April 2018

Please look at the fact sheet once more after these deadlines have expired.