



MODULE SPECIFICATION

KEY FACTS

Module name	Mergers & Acquisitions
Module code	BS3218
School	Cass Business School
Department or equivalent	UG Programme
UK credits	15
ECTS	7.5
Level	6
Delivery location (partnership programmes only)	

MODULE SUMMARY

Module outline and aims

The aim of the course is to familiarise students with the various aspects of M&A so that they will be able to understand the role of M&A in the life of a corporation, how to apply valuation techniques learned elsewhere, to be familiar with the various techniques used in the different stages of a merger or an acquisition (including post-merger issues) and to understand the alternatives to M&A. This is a multidisciplinary course that takes a general management and strategic approach to M&A, but necessarily incorporates the financial, organisational / individual behaviour and legal/regulatory aspects of M&A as well.

Content outline

The five M&A sessions (each four hours in length) or ten sessions (each two hours in length) will cover the following topics and cases. The structure will be discursive and the learning will come from the readings, cases and classroom discussion (practitioners will be invited to share their views on practical issues of M&A); note that for the cases below no PowerPoint slides are used in these five practical sessions (each of the five sessions can be divided into 2 session of two hours in bracket below) but some PowerPoint slides will be used for some theoretical aspects:

- Session 1 (1&2): Introduction to the course, including overview of the M&A process (*Case: Kraft / Cadbury*)
- Session 2(3&4): Target identification and regulation (*Case: Malcolm Glazer purchase of Manchester United*)
- Session 3 (5&6): Negotiation and offensive strategies (*Case: Sir Philip Green / Marks & Spencer*)
- Session 4 (7&8): Defensive strategies and merger arbitrage (*Case: Deutsche*)

Börse and London Stock Exchange)

- Session 5(9&10): Valuation, pricing and financing (Case: *Deutsche Bank / Bankers Trust* plus an in-class case exercise, *Pfalz, AG*)

The cases are, naturally, subject to change; the order of the classes is also subject to change. Should there be a 'front page' deal during the period of the class, this will be added to the classroom discussion. All assigned cases above are available through ECCH and all have been authored at Cass Business School.

Content prerequisites

BS1108 Introduction to Financial Accounting for Business AND
BS3100 Strategy for Business AND
EITHER IF3108 Corporate Finance OR IF3207 Corporate Strategy.

All students should be able to conduct income statement, cash flow and balance sheet analysis and conduct basic company valuation using company / industry comparable and DCF (and thus understand the concepts of NPV, company ratios such as EV/EBITDA, P/E, payback, etc). The general concepts of good company strategy development and corporate governance should also be prerequisites

WHAT WILL I BE EXPECTED TO ACHIEVE?

On successful completion of this module, you will be expected to be able to:

Knowledge and understanding:

- Understand the Mergers & Acquisitions phenomena, its different phases and the development of the M&A market
- Understand M&A in a strategic perspective; the corporate motives for M&A; strategic rationales behind a merger or acquisition and strategic alternatives to a merger or acquisition
- Recognise fully the impact of corporate restructuring on organisations and people and why so many acquisitions fail; its value creation and value destruction
- Understand the role of outside advisors and company management regulators and the regulatory and tax environment in the UK, Europe and the US

Skills:

- Demonstrate the ability to form your own views about M&A
- Make your own creatively strategic and analytically supportable recommendations regarding potential M&A transactions
- Evaluate - present and defend opinions by making judgments about different M&A and people management issues - these judgments will be made in terms of

evidence of best practices and criteria of the most successful M&As

- Demonstrate different negotiating techniques and bidding strategies
- Apply the blend of strategic and financial concepts relevant to M&As i.e. commonly used takeover defences and tactics, techniques in deal valuation and financing
- Apply - use new knowledge on M&As, management of organisations and people management to solve problems in new situations by applying acquired knowledge, techniques and principles

Values and Attitudes:

- Deal with challenges created by lack of information, contradictory or suspect information, time constraints and cross-border deals
- Demonstrate survival techniques on an individual level on how to survive an M&A deal
- Fairness and sensitivity - attach a value of fairness to people management practices in M&As and show consideration to employees issues
- Ethics - attach values of ethical and moral standards to people management practices in M&As
- Prioritize - elaborate on what are the most critical and the most effective approaches in particular contexts of M&As

HOW WILL I LEARN?

This is a case study-based course

Teaching pattern:

Teaching component	Teaching type	Contact hours (scheduled)	Self-directed study hours (independent)	Placement hours	Total student learning hours
<u>Lectures</u> (no/partial Power Point presentations but much more interactive sessions with the lecturer)	10 hours (5 x 2hrs)	10			<u>Lectures</u> (no/partial Power Point presentations but much more interactive sessions with the lecturer)
<u>Practical</u>	10 hrs	10			<u>Practical</u>

<u>classes and workshops</u> (quizzes and case studies used as learning elements).	(5 X2hrs)				<u>classes and workshops</u> (quizzes and case studies used as learning elements).
Totals		20 hrs	130 hrs		150 hrs

WHAT TYPES OF ASSESSMENT AND FEEDBACK CAN I EXPECT?

Assessments

Assessment pattern:

Assessment component	Assessment type	Weighting	Minimum qualifying mark	Pass/Fail?
Quiz	Multiple choice and true/false, short answer	10%	0%	N/A
Coursework/Group Coursework	Case study or analysis of a specific deal.	30%	0%	N/A
Final Exam	Choice of two out of three questions all of them consisting of a numerical and short essay	60%	0%	N/A

Assessment criteria

Assessment Criteria are descriptions of the skills, knowledge or attributes students need to demonstrate in order to complete an assessment successfully and Grade-Related Criteria are descriptions of the skills, knowledge or attributes students need to demonstrate to achieve a certain grade or mark in an assessment. Assessment Criteria

and Grade-Related Criteria for module assessments will be made available to students prior to an assessment taking place. More information will be available from the module leader.

Each quiz will assess the student's understanding of the material covered in the previous class (including the readings for the previous class) and the assigned readings for the current class from the textbook and the case study.

The coursework or group coursework will be based on a specific current deal or a group of deals with some analysis.

The final exams will be a set of numerical questions together with essay to critically analyse a deal.

Feedback on assessment

Following an assessment, students will be given their marks and feedback in line with the Assessment Regulations and Policy. More information on the timing and type of feedback that will be provided for each assessment will be available from the module leader.

Quiz results will be handed back within two weeks so that students know throughout the course how they have done.

Assessment Regulations

The Pass mark for the module is 40%. Any minimum qualifying marks for specific assessments are listed in the table above. The weighting of the different components can also be found above. The Programme Specification contains information on what happens if you fail an assessment component or the module.

INDICATIVE READING LIST

Each session will focus on one published case (available from the European Case Clearing House) that will be provided from the course office. It is expected that all of the cases used will have been authored by students and faculty at Cass; many are the product of research conducted as part of student Business Research Projects (from the MBA) or Dissertations (from MSc students). There are also assigned readings from one textbook (see below) and from articles that are available on the Business School Library's databases. Additional readings may be distributed or referenced during the course, especially contemporary articles from the financial press (usually the *Financial Times*).

The following textbook is required for the course, although we will not refer to all of the material in the book as selected chapters only will be referenced.

Moeller, Scott & Brady, Chris, *Intelligent M&A: Navigating the Mergers and Acquisitions Minefield*, Wiley, 2nd Ed. 2014

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Appendix: see

http://www.hesa.ac.uk/component/option,com_studrec/task,show_file/Itemid,233/mnl,12051/href,JACS3.html/ for the full list of JACS codes and descriptions

CODES		
HESA Cost Centre	Description	Price Group
133	Business & Management Studies	D
JACS Code	Description	Percentage (%)
N200	Management Studies. The study of managing organisations	100%