

VICTORIA INTERNATIONAL APPLIED FINANCE PROGRAMME
School of Economics and Finance

MMAF537 Merges and Acquisitions

Trimester 3, 2014

COURSE OUTLINE

Names and Contact Details

The course lecturer is Dr Chander Shekhar, from Dept of Finance, University of Melbourne
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The administrator for this course is Rachel Zhang.
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Trimester Dates

The study and assessment period is 13 December 2014 – Monday 16 February 2015.

Withdrawal from Course

1. Your fees will be refunded if you withdraw from this course on or before Friday 28th November 2014.
2. The standard last date for withdrawal from this course is 27 January 2015. After this date, students forced to withdraw by circumstances beyond their control must apply for permission on an *'Application for Associate Dean's Permission to Withdraw Late'* including supporting documentation. The application form is available from either of the Faculty's Student Customer Service Desks.

Class Times and Room Numbers

Block Release 1: Saturday 13th December 2014 9:00am – Monday 15 December 2014 12:30pm

Block Release 2: Saturday 14th February 2015 9:00am – Monday 16th February 2015 12:30pm

Course Delivery

The contact hours of the course will be during the two block releases detailed above. During the rest of the trimester, students will be expected to be engaged in self-directed study using their textbooks and material posted on Blackboard, and completing assignments which will be posted on Blackboard.

Attendance at all sessions of both block releases is compulsory.

Expected Workload

Expected workload for this course is 200 hours.

Prescription

Topics to be covered include: valuation techniques, mergers and acquisitions; wealth effects and gains to takeovers; demergers; general governance structures; basic legal and regulatory aspects of takeovers in Australia, US and New Zealand, and introduction to other forms of corporate restructuring such as changes in dividend policy and capital structure.

Course Learning Objectives

On successful completion of this subject students should be able to:

- Identify and describe the various corporate valuation techniques
- Analyze the strategic issues involved in mergers and acquisitions including real option analysis of takeovers
- Identify regulatory issues associated with takeovers
- Analyse payment methods for takeovers and how targets may respond to takeovers
- Explain the reaction of the market following merger announcements and analyse share price performance of the target and the bidder
- Explain how corporate restructuring strategies such as spinoffs, equity carve-outs, recapitalisations etc. may firms help create value
- Discuss cross-border mergers as a strategic alternative to domestic mergers
- Discuss the relevance of corporate governance for value creation strategies including mergers

Course Content

Mergers and acquisitions (M&A) allow companies to respond to ever changing market and regulatory conditions with the stated objective of creating shareholder value. This course aims to combine strategic skills with analytical skills from corporate finance. This course provides students with an analytical framework supported by real world case studies to introduce methods and techniques for successful M&A transactions.

Readings

The principal readings are from-

Patrick A. Gaughan, *Mergers, Acquisitions and Corporate restructurings*, Fifth edition, 2011, John Wiley & Sons Inc.

Ross, Westerfield, Jaffe, *Corporate Finance*, 10th edition, 2012, McGraw-Hill

Additional required reading will be provided as hard copies or on Blackboard.

Materials and Equipment

Students are required to have a financial calculator.

Assessment

- Class Participation including Attendance – 5%
- Test 1 - 20% (2 hours) Monday 15th December 2014
- Individual assignment #1 – 25%, due Monday 22nd December 2014
- Test 2 – 20% (2 hours) Monday 16th January 2015
- Individual assignment #2– 30%, due Friday 20th February 2015

Note: From Trimester 1, 2014, a revised Assessment Handbook will apply to all VUW courses: see <http://www.victoria.ac.nz/documents/policy/staff-policy/assessment-handbook.pdf>.

In particular, there will be a new grade scheme, in which the A+ range will be 90-100% and 50-54% will be a C-.

Penalties

Each of the assignments will be marked out of a maximum that diminishes by 5% for every day late. Please note that the weekend no longer counts as one day (i.e. if an assignment is due by 4pm Friday and you hand it in 3pm Sunday, you will be penalized for 2 days). Please carefully read the assignment guidelines for details of how assignments should be submitted. There will be a final cut-off date, one week after the due date for each assignment, after which no assignment can be accepted.

Use of Turnitin

Student work provided for assessment in this course may be checked for academic integrity by the electronic search engine <http://www.turnitin.com>. Turnitin is an on-line plagiarism prevention tool which compares submitted work with a very large database of existing material. At the discretion of the Head of School, handwritten work may be copy-typed by the School and submitted to Turnitin. A copy of submitted materials will be retained on behalf of the University for detection of future plagiarism, but access to the full text of submissions will not be made available to any other party.

Mandatory Course Requirements

Attendance at block releases.

If you have, or become aware of, any health condition that could prevent your attending a VIAF compulsory block release, then you should notify the Programme Director immediately, preferably by email dawn.lorimer@vuw.ac.nz and copy the email to viaf.programme@vuw.ac.nz

If you cannot complete an assignment or sit a test or examination, refer to www.victoria.ac.nz/home/study/exams-and-assessments/aegrotat

Communication of Additional Information

Additional information including assignment questions, details of the block course schedule, feedback on course assessments, etc. will be provided online via Blackboard. Students are responsible for logging onto Blackboard regularly to check for any updates or announcements, and for ensuring that the VIAF Senior Administrator has their up to date email and postal addresses. Viaf-programme@vuw.ac.nz.

Student feedback

Student feedback on University courses may be found at www.cad.vuw.ac.nz/feedback/feedback_display.php

Link to general information

For general information about course-related matters, go to <http://www.victoria.ac.nz/vbs/studenthelp/general-course-information>

Note to Students

Your assessed work may also be used for quality assurance purposes, such as to assess the level of achievement of learning objectives as required for accreditation and academic audit. The findings may be used to inform changes aimed at improving the quality of VBS programmes. All material used for such processes will be treated as confidential, and the outcome will not affect your grade for the course.
