

# GUJARAT TECHNOLOGICAL UNIVERSITY

## MASTER OF BUSINESS ADMINISTRATION (Global Program)

Year – II (Semester – IV) (W.E.F. January 2014)

**Specialization: Finance Management**

**Subject Name: Mergers & Acquisition(M&A)**

**Subject Code: 2840201**

### 1. Course Objective:

To develop the perspective of financial policy as a subset of corporate strategy and to have an insight into financial decisions. In addition, the course aims to familiarize students with various techniques of corporate restructuring, and valuation methods and their application used by corporate in real life. To develop an understanding of Mergers and Acquisitions (M&A) as a significant economic activity taking place in today's economy.

**2. Course Duration:** The course duration is of 36 sessions of 75 minutes each, i.e. 45 hours.

### 3. Course Content:

Module No:	Module Content	No. of Sessions	Marks (70 External exam)
I	<b>Introduction to Corporate Restructuring</b> Fundamental concept of corporate restructuring, different forms, motives & applications of corporate restructuring, Mergers & acquisitions concept, process. Due diligence for M&A, Take-over and Defense Tactics	8	15
II	<b>Accounting, Taxation &amp; legal aspects of M&amp;A</b> Accounting for Mergers & Demergers, Competition Act for M&A, SEBI's rules & regulations for M&A, Share Buyback guidelines, Tax implications. Calculations of	8	17

III	<b>Valuation Aspects of M&amp;A</b> Fundamental and methods of valuation, Calculations of financial synergy and return, Different approaches of valuation – Comparable company & transaction analysis method, DCF, Real Option method, Formula approach for valuation and other important methods of valuation, Valuation of Brands, Funding Options for M&A.	8	20
IV	<b>Dimensions of Corporate Restructuring</b> Corporate Restructuring including buy-back of shares, & Divestiture, Financial Restructuring, Alliances & Joint Ventures, Employee Stock Ownership, Going Private & Leveraged Buyouts Cross-Border Mergers & Acquisitions.	8	18
V	<b>Practical Module:</b> Various Case Studies in Mergers & Acquisitions. A case report correlating the theories and valuation model must be prepared by using the data and example of M&A deals occurred in the past. (For preparing this case report, any sector and any deal pertaining to that sector can be taken as per choice and discretion)	8	(20 Marks of CEC Internal Evaluation)

**4. Teaching Methods:** The following pedagogical tools will be used to teach this course:

1. Lectures & Discussions
2. Assignments & Presentations
3. Case Analysis

**5. Evaluation:**

<b>A</b>	Projects/ Assignments/ Quizzes/ Individual or group Presentation/ Class participation/ Case studies etc	Weightage 50 marks (Internal Assessment)
<b>B</b>	Mid-Semester Examination	Weightage 30 marks (Internal Assessment)
<b>C</b>	End –Semester Examination	Weightage 70 marks (External Assessment)

**6. Text Books:**

<b>Sr. No.</b>	<b>Author</b>	<b>Name of the Book</b>	<b>Publisher</b>	<b>Edition</b>
T1	Prasant Godbole	Mergers, Acquisitions and	Vikas Publication	Prasant Godbole
T2	Aurora, Shetty, Kala	Mergers and Acquisitions	Oxford	Latest Edition
T3	Bhagvandas	Corporate restructuring	Himalaya	Latest Edition

<b>Sr. No.</b>	<b>Author</b>	<b>Name of the Book</b>	<b>Publisher</b>	<b>Edition</b>
R1	P. Rajesh Kumar	Mergers & Acquisitions	Tata McGraw- Hill	Latest Edition
R2	Rajinder S. Arora Shard Kale	Mergers & Acquisitions	OXFORD Publication	Latest Edition
R3	Sudi Sudarshan	Creating Value through Merger and	Pearson	Latest Edition
R4	Nishikantha Jha	Merger and Acquisitions	Himalaya	Latest Edition
R5	Machiraju	Mergers And Acquisitions	New Age	Latest Edition
R6	James J. Fred Weston, Mark	Takeovers, Restructuring, and	Pearson Education	Latest Edition
R7	Kamal Goshray	Mergers, Acquisition and Valuations	PHI	Latest Edition
R8	Patrick Gaughan	Mergers, Acquisitions	Wily Publication	Latest Edition
R9	Arzak	Value Creation From Mergers And Acquisitions	Wiley India (P) Ltd.	Latest Edition
R10	Chandrashekar Krishna Murthy	Merger Acquisitions & Corporate	Sage Publication	Latest Edition
R11	Ramanujam et al	Mergers	TMH, 2003	Latest Edition
R12	John C. Michelson	Restructuring for Growth	TMH	Latest Edition

R13	Ray	Merger & Acquisitions- Strategy, Valuation	PHI	Latest Edition
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**8. List of Journals / Periodicals / Magazines / Newspapers etc.:** The students will have to refer to past issues of the following journals in order to get relevant topic/information pertaining to the subject.

1. Business Standard
2. The Economic Times
3. Financial Express
4. Chartered Financial Analyst
5. Journal of Applied Finance
6. CFA Reader
7. Business Today
8. Business India
9. Business World
10. Finance India

## 9. Session Plan:

Session no.	Topic
1-5	Fundamental concept of corporate restructuring, different forms, motives & applications of corporate restructuring, Mergers & acquisitions concept, process. Due diligence for M&A
6-12	Accounting for Mergers & Demergers, Competition Act for M&A, SEBI's rules & regulations for M&A, Share Buyback guidelines, Tax implications, Calculations of exchange ratio
13-21	Fundamental and methods of valuation, Calculations of financial synergy and return, Different approaches of valuation – Comparable company & transaction analysis method, DCF, Real Option method, Formula approach for valuation and other important methods of valuation, Valuation of Brands, Funding Options for M&A
22-28	Corporate Restructuring & Divestiture, Financial Restructuring, Alliances & Joint Ventures, Employee Stock Ownership, Going Private & Leveraged Buyouts Cross-Border Mergers & Acquisitions
29-36	<p><b>Practical Module:</b>            Various Case Studies in Mergers &amp; Acquisitions.            A case report correlating the theories and valuation model must be prepared by using the data and example of M&amp;A deals occurred in the past. (For preparing this case report, any sector and any deal</p>