



FIN*3300
The Strategy of Mergers & Acquisitions
Fall 2024
0.50 Credit weight

General Course Information

Instructor: Nancy Bower
Email nbower@uoguelph.ca
Office Location MacKinnon 708
Office Hours Tuesday 2:00-3:30
Thursday 2:00-3:30 or by appointment
Department: Department of Economics and Finance

Class Schedule: Monday and Wednesday 1:00 – 2:20, MCKN 223

Pre-requisites: ECON*2310, ECON*2410, (ECON*2560 or FIN*2000)

Course Description

This course offers an economic analysis of mergers and acquisitions. The course offers the means to assess M&A and to consider the various roles M&A can play in strategy depending on the nature of the company and the industry dynamics. We will focus on various aspects of mergers and acquisitions in markets and on the various stakeholders. Topics will include value creation in mergers, choice of payment method, valuation of contingent payments, bidding strategies, hostile takeovers, and defensive tactics. We also cover key elements of the legal and regulatory framework for takeovers, such as filing requirements, fiduciary duties of the target board of directors, and antitrust regulation.

Course Learning Outcomes

Knowledge and Understanding:

- 1) **Understanding of Specific Markets:** Students will **understand** financial markets and the role they play in mergers and acquisitions. This will be assessed through exams.
- 2) **Historical and Global Context:** Students will **understand** trends in M&A activity and **analyse** the context of individual mergers and acquisitions. These will be assessed through exams and the writing assignment.
- 3) **Economic Policy and Regulation:** Students will **understand** the legal and regulatory issues in M&A. This will be assessed through exams and the writing assignment.
- 4) **Financial Asset Pricing, Corporate Finance and Risk Analysis:** Students will **value** target companies. Students will **understand** Corporate Finance and how risk affects valuations of mergers. These will be assessed through the assignments and the exams.

Discipline/Professional and Transferable Skills:

- 5) **Written Communication:** Students will prepare a written report **analysing** an aspect of mergers, which will be graded using the usual essay writing criteria.
- 6) **Oral Communication/Presentation:** Students will **present** their analyses. Presentations will be evaluated based on content, organization, communication, and presentation.
- 7) **Numerical Problem Solving:** Students will have to perform a variety of financial **calculations** including **valuations** of target firms. This will be assessed through the assignments and the exams.
- 8) **Analytical Problem Solving:** Students will perform calculations to **evaluate** and **compare** alternative purchasing methods. This will be assessed through the assignments and the exams.
- 9) **Problem Solving in a Real-World Context:** Students will **apply** the content and **analysis** learned in the course to an aspect of mergers. This will be assessed in the writing assignment and the case presentation.
- 10) **Group Work:** Students will work in groups to **analyse** an aspect of mergers and will be assessed through the writing assignment and oral presentation.
- 11) **Computer Skills:** Students will use **excel** (or some other spreadsheet program) to perform **calculations** in their case **analysis**. This will be assessed in the case analysis.

Attitudes and Values:

- 12) **Professional and ethical awareness and conduct:** There will be no extensions on assignments in order to develop **time management** skills. Assessed using the assignments and the group projects.

Course Assessment

			Notes	Due Date/ location
Assessment 1:	15%	Assignments	Individual problem sets	Wed. Oct 16 and Wed, Nov 20, 4:30 pm
Assessment 2:	25%	Midterm	In class midterm	Wed., Oct 23
Assessment 3:	8%	Case Competition Assignment	Written presentation of a case	Mon., Nov. 11
Assessment 4:	12%	Case Competition Event	PowerPoint presentation of case (10%) and Quiz or Final presentation (2%)	Sat., Nov. 16
Assessment 5:	5%	Group Case Preparation	Written analysis of two in-class cases	Dates TBD
Assessment 6:	5%	Quizzes	Quizzes on dates of guest speakers and in-class cases	Various Dates

Assessment 7:	30%	Final Exam	Comprehensive	Friday, Dec. 13, 11:30- 1:30
Total	100%			

Teaching and Learning Practices

Lectures Lectures will discuss the assigned readings and cases. It will be important for you to do the readings before class and attend lectures. In addition, there will be guest speakers in the class from time to time. All exams will cover material covered in the lectures. It is imperative you have a complete set of notes. They will not be available on CourseLink. I would like you to attend class.

Course Resources

Required Texts:

A course packet containing the cases and some of the readings will be available from Ivey Publishing. You will be receiving an email with information on how to purchase the course packet.

Recommended Texts:

Mergers, Acquisitions, and Corporate Restructurings, seventh edition, Patrick A. Gaughan, John Wiley & Sons, 2018

Additional course materials will consist of journal articles or chapters from texts and will be available online and/or on library reserve.

Course Policies

Grading Policies

Final Exam Conflicts: Any student who has a time conflict with the final exam may not register for this course. Note the final exam day and time in the Course Assessment section above. Please check immediately to make sure you do not have a conflict.

Midterm: The midterm will be given in class on Wednesday, October 23. Make-up exams will only be given if the student has a documentable illness or compassionate reason for missing the exam. The midterms will consist of multiple-choice questions, problems, and short-answer questions covering the material from the course, including the guest lectures. The format of the make-up midterm may differ from that given at the scheduled time.

Assignments: There will be two written assignments (problem sets) due by 4:30 pm on Wednesday, October 16 and Wednesday, November 23. If you do not turn in an assignment, you will receive a **zero**. The weight will **not** be placed elsewhere, except in cases of illness or another compassionate reason, so it is imperative that you complete them on time. I will only allow assignments to be turned in after the due date in **exceptional** circumstances (a prolonged illness or sudden death in the family for instance - having work in other courses is **not** an exceptional circumstance – I expect that to be the case). Given the class size a TA may not be assigned to this course and the grading of the assignments may focus only on some of the problems (determined by myself). A detailed answer key will be posted. The assignment will be algorithmically generated using your student ID number – all students will get a different version of the assignment as a result. I encourage you to work together on the assignments, but any work you turn in should be your own.

Quizzes: There will be short quizzes at the end of class on days when we have guest speakers or discuss cases. You will be able to drop two of the quizzes.

Group Work: This course has several group assignments. Groups should consist of 4 students. Students should form their own groups and register them in the group tab on Courselink by Friday, September 27. Any student not in a group by that date will be assigned to a group. Once groups are formed, they can only be changed with my permission and the permission of the affected group members. Members of the group will all receive the same mark for the group work, unless the group provides documented proof that a group member did not pull their weight. The exception is that one component of the presentation mark is for each individual's performance in the presentation.

Case Preparation: Students will be assigned questions and/or spreadsheets to prepare for cases to be discussed in class. These should be done in groups and submitted at the start of class. Each member of the group should keep a copy to aid in the class discussion.

Case Competition: Students are required to perform a detailed case analysis. Each group will submit a written write-up of the case on Monday, November 11. In addition, each group will present its report on Saturday, November 16, between 8:30 am and 1:00 pm and will be given approximately 15 minutes for the power point presentation. The top 4 groups will be chosen to present in the competition finals before judges on Saturday, November 16 between 2pm and 5pm. The final presentations will be approximately 15 minutes and will be followed by a 15-minute Q&A session. Students not chosen to present in the finals will be expected to attend the final presentations and will have to complete a quiz based on the presentations. Students presenting in the finals will automatically receive credit for the quiz. There will be a reception in the Faculty Club following the competition (5-6:30) where the winners will be announced, and prizes will be awarded.

See the following university policies:

<http://www.uoguelph.ca/registrar/calendars/undergraduate/current/c08/c08-grds.shtml>

Please note that these policies are binding unless academic consideration is given to an individual student.

Course Policy on Group Work:

It is expected that all group members will contribute to the project and presentation. All group members will receive the same mark on written work with one exception. That exception is if the other group members contact me and assert that one or more group members have not substantially contributed to the project. I will want proof to back up this assertion. To that end all group members should maintain a paper trail (and email record) of work done and any correspondence between group members. If an assertion is made that a group member did not substantially contribute to the project I will want to see evidence of it. If there is no evidence to back up the claim, all students will receive the same mark. If a group feels that a member is not completing work or is not communicative (doesn't answer emails for example) please contact me so I can contact them to see what the reason might be.

Course Policy regarding use of electronic devices and recording of lectures

Electronic recording of classes is expressly forbidden without consent of the instructor. When recordings are permitted, they are solely for the use of the authorized student and may not be reproduced, or transmitted to others, without the express written consent of the instructor.

University Policies

Academic Consideration

When you find yourself unable to meet an in-course requirement because of illness or compassionate reasons, please advise the course instructor in writing, with your name, id#, and e-mail contact. See the academic calendar for information on regulations and procedures for

Academic Consideration: <http://www.uoguelph.ca/registrar/calendars/undergraduate/current/c08/c08-ac.shtml>

Academic Misconduct

The University of Guelph is committed to upholding the highest standards of academic integrity and it is the responsibility of all members of the University community, faculty, staff, and students to be aware of what constitutes academic misconduct and to do as much as possible to prevent academic offences from occurring.

University of Guelph students have the responsibility of abiding by the University's policy on academic misconduct regardless of their location of study; faculty, staff and students have the responsibility of supporting an environment that discourages misconduct. Students need to remain aware that instructors have access to and the right to use electronic

and other means of detection. Please note: Whether or not a student intended to commit academic misconduct is not relevant for a finding of guilt. Hurried or careless submission of assignments does not excuse students from responsibility for verifying the academic integrity of their work before submitting it. Students who are in any doubt as to whether an action on their part could be construed as an academic offence should consult with a faculty member or faculty advisor.

The Academic Misconduct Policy is detailed in the Undergraduate Calendar:

<https://www.uoguelph.ca/registrar/calendars/undergraduate/current/c08/c08-amisconduct.shtml>

Accessibility

The University of Guelph is committed to creating a barrier-free environment. Providing services for students is a shared responsibility among students, faculty and administrators. This relationship is based on respect of individual rights, the dignity of the individual and the University community's shared commitment to an open and supportive learning environment. Students requiring service or accommodation, whether due to an identified, ongoing disability or a short-term disability should contact Student Accessibility Services as soon as possible.

For more information, contact SAS at 519-824-4120 ext. 56208 or email accessibility@uoguelph.ca or see the website: <https://wellness.uoguelph.ca/accessibility/>

Course Evaluation Information

Please refer to: <https://www.uoguelph.ca/economics/course-evaluation>

Drop date

The last date to drop one-semester courses, without academic penalty, is Friday, November 29, 2024. For regulations and procedures for Dropping Courses, see the Academic Calendar:

<https://www.uoguelph.ca/registrar/calendars/undergraduate/current/c08/c08-drop.shtml>