**Concordia University**

**John Molson School of Business**

**Mergers & Acquisitions – FINA 695 / BB**

**Instructor:** Ann-Maureen Hennessy

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**Class Time:** Wednesday 17h45 – 20h15

**Class Dates:**  September 09, 2015 –December 02, 2015

**Location:** MB 1 – 437

**Office Hours:** MB 12 – 280 / 282 – by appointment

**Text Book: *E-Book* –** Mergers & Acquisitions and Corporate

Restructurings – Patrick Gaughan –

6th Edition

**Course Objectives**

Although one might assume that merger and acquisition and restructutings are fairly recent market activities given the current press attention, they have in fact had an impact on the corporate map and financial markets for well over a century. The level of activity has had an ebb and flow depending on corporate and financial market conditions.

This course will provide insight into the highly complex and strategic importance of M& A activity. A transaction of this nature can certainly be considered the most important decision in a company’s history.

The complexity and strategic importance arise from the variables of a firm’s structure, competitive position, regulatory environment and of no less importance, the human element. These elements will be addressed in class lectures, current M&A presentations, a case simulation, a Pitch Book, along with an introduction to the Bloomberg terminal.

The work will enhance and develop the presentation and research skills necessary for the finance industry in general and investment banking in particular. (*Prof. S. Betton)*

**Course Evaluation**

In Class Test 30%

Current Topic & Memo 10%

Simulation – merger negotiation 15%

Pitch-Book paper 30%

Pitch-Book presentation 15%

**Grade Components**

. **In Class test (30%)**

The test will be based on all the material covered up until the exam date – all chapters, readings, cases etc.

**. Current Topic and Memo (10%)**

Needs to be a deal.

Use overall financial and assumptions. Give opinion on assumptions.

Back and forth. How long did the deal take. “Good book: Barbarians at the gate”

Who approached who, was it easy nego, was it hostile, did they bypass management, was it easy or complicated – govt stepped in and forced to sell bunch of assets.

Or find something in 2012/13 that was a slam dunk.

Transcontinental?

The class will divide into groups of two (2) and present a current topic in mergers & acquisitions or corporate restructuring. The report should be 3 to 5 pages and the presentation to the class should be 15 to 20 minutes.

. Your group and topic will have to be submitted no later than **week 2.** This information is to be e-mailed to me by **5h00 pm September 15.**

**.** Your topic must be recent i.e. did not occur prior to January 2014. Should you want to choose a topic prior to January 2014 you must have a compelling reason for doing so – the topic must be of a precedent setting nature.

. If more than one group chooses the same topic, the group who submitted it by e-mail first will be allocated the topic.

. Presentations will begin on **week 3**

**.** A copy of your presentation must be e-mailed to me by 5Pm the Tuesday prior to the presentation. i.e. presentation September 23, e-mailed copy 5PM September 22

**.** Group presentation dates will be picked randomly and announced in class September 16.

**Simulation ( 15%)**

. The class will divide into groups of two (2)

. The simulation will be a three firm merger negotiation.

. As a follow on to the simulation each group will be required to write a 3-5 page memo to their shareholders outlining the strategy you adopted during the negotiations and why as well as your evaluation of the outcome. This memo will be due the class following the simulation, i.e. **November 11th**

**.** The simulation is intended enhance your understanding of the complexity and strategy that comprise real-life M&A situations.

**Pitch-Book paper (30%) / Presentation(15%)**

**.** The class will divide into groups of 3 and will prepare a “pitch book” that identifies the target acquisition and the evaluation of same. The project will consider issues such as:

.Identifying the bidder and target (who are you going to peopose the idea to?)

. What are the trends in the industry?

. What is the experience of the bidder and the target in M & A?

. What are potential gains from the acquisition? i.e. synergy etc.

. How should the deal be structured and why is this optimal?

. What is the target’s likely response (hostile, friendly)?

. What is likelihood of a rival bidder emerging?

. What is the likely regulatory response, if any?

*(above notes – Prof. S. Betton)*

**Pitch-Book (cont’d)**

The group must submit a topic proposal (industry, idea of who the players will be etc.) to the professor for approval. The topic will be approved on a first come first served basis.

Format:Prepare a 30 minute presentation with a 15-20 minute Q & A period.

A hard copy of the pitch-book will be due on the last day of class.

**Class Participation**

Although no marks are allocated to class participation, your constructive input to discussions is an integral part of the course.

**Course Calendar**

**Class Date Chapter Topic Assignment**

1 09.09 1 & 2 Introduction

2 09.16 2 & 4 Merger Strategy Group & Current Topics

3 09.23 5 & 6 Anti-takeover tactics Group 1& 2 presentation

Takeover tactics

4 09.30 3 Legal framework Group 3 & 4 presentation

5 10.07 10 Corp. restructuring Group 5 presentation

**6 10.14 Mid-Term Exam**

7 10.21 Bloomberg – Excel – JMSB Trading room

8 10.28 CP/14 Valuation - 1 Group 6 & 7 presentation

9 11.04 CP/14 Valuation - 2 Group 8 & 9 presentation

10 11.11 Simulation – merger negotiation

11 11.18 Simulation de-briefing – Guest Speaker

12 11.25 Presentation – Pitch Book =- Groups 1, 2 and 3

13 12.02 Presentation – Pitch Book – Groups 4, 5 and 6

**Course Materials**

**. Mergers, Acquisitions and Corporate Restructurings, 6th Edition. Patrick A. Gaughan. ISBN 978-1-118-99754-3.**

**You may purchase the e-book at this link**

[**http://customer.ca.wiley.com/CGI-BIN/lansaweb?procfun+shopcart+shcfn01+funcparms+parmisbn(a0100):1119063361+parmqty(p0050):1+parmurt(10650):http%3A%2Fca.wiley.com%2FWileyTitle%2FproductCd-1119063361.html**](http://customer.ca.wiley.com/CGI-BIN/lansaweb?procfun+shopcart+shcfn01+funcparms+parmisbn(a0100):1119063361+parmqty(p0050):1+parmurt(10650):http%3A%2Fca.wiley.com%2FWileyTitle%2FproductCd-1119063361.html)

**. Course Pack – Chapter 14 – Valuations –** details will be provided

. **Simulation - Harvard –** details will be provided later

**Additional Resources**

**Trading Room - MB 12th floor**

**.** As per course outline a person from Bloomberg will provide instructions regarding use of Bloomberg terminal.

**Library Resources**

. The library is an excellent source of material to assist you in your assignments and projects

<http://library.concordia.ca/research/subjects/finance/finance410.php>

**Websites**

[www.bloomberg.com](http://www.bloomberg.com)

[www.reuters.com](http://www.reuters.com)

<http://www.morningstar.com>

<http://finance.yahoo.com>

<http://www.bankofcanada.ca>

[www.sec.gov.edgar.shtml](http://www.sec.gov.edgar.shtml) ( company filings)

<http://www.imf.org/external/publications/index.htm> (IMF publications)

<http://www.tradesstationfundamental.com>

<http://treasurydirect.gov>

*(above websites from Mazen Ladki)*

**Academic Integrity**

The Code of Conduct (Academic) at Concordia University states that the “integrity of University academic life and of the degrees, diplomas and certificates the University confers is dependent upon the honesty and soundness of the instructor-student learning relationship and, in particular, that of the evaluation process. Therefore, for their part, all students are expected to be honest in al their academic endeavours and relationships with the University.

All students enrolled at Concordia are expected to familiarize themselves with the contents of this Code. You are strongly encouraged to visit the following web address:

<Http://www.concordia.ca/content/dam/Concordia/docs/AcademicCodeConduct2008.pdf>

Which provides useful information about proper academic conduct.

**Grading**

**Letter Grade (numerical equivalent)**

A+ (95% and above) A (90%-94%) A- (85% - 89%)

B+ (80% - 84%) B ( 75% - 79%) B- (65% - 74%)

C (55% - 64%) F (less than 55%)

***Disclaimer***

***The instructor reserves the right to change and update this outline, and any other course related materials, as required. The student will be informed in a timely manner through First Class and/or announcements during class..***

**List of important services available to all Concordia students:**

**Concordia Counselling and Development** (career, psychological and student learning services)

<http://www.concordia.ca/offices/cdev.html/>

**Concordia Library Citation and Style Guides**

<http://library.concordia.ca/help/howto/citations.html/>

**Advocacy and Support Services** (Access Center for Students with Disabilities, Aboriginal Student Resource Services, Student Parents Centre, Student Advocate Program)

<http://www.concordia.ca/offices/advocacy/html/>

**Student Success Centre** (math-related support, pure, applied and social science support, become a better wordsmith, student success mentors, awards and scholarships, learning support, jobs and careers):

<http://www.concrdia.ca/students/success.html/>

**Academic Integrity**

[**http://www.concordia.castudents/academic -integrity.html/**](http://www.concordia.castudents/academic%20-integrity.html/)

**Financial Aid and Awards**

[**http://www.concordia.ca/offices/faao.html/**](http://www.concordia.ca/offices/faao.html/)

**Health Services**

<http://www.concordia.ca/students/health.html>