**SIA Module worksheet week 4**

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| Seminar **Questions** (to check and/or develop your relevant knowledge on investment appraisal) | **Answers** (write here in your own words & underline key concepts) | e.g. **Illustrate** from last year’s case study – find this data in the annual report of the target company or the exemplar assessment | NB - **Find** the equivalent data for the assessment case study you are tasked with analysing from available data |
| 1. What are the main rationales for business acquisitions? |  | What is the main rationale stated in the case study for this acquisition? |  |
| 1. Why might some business acquisitions be judged as failures? |  | Which of these potential problems are most likely to apply in this case? |  |
| 1. How can we work out a suitable enterprise value and hence equity value to pitch a successful bid price? |  | Look back to week 3 to identify an asset-based valuation for the target company and work out the difference between this and the bid price? |  |
| 1. Define the following terms    1. PE ratio    2. Beta    3. Rf    4. Rm    5. CAPM |  | Find the values for each term for the bidder company or **sector**:   1. PE ratio 2. Beta 3. Rf 4. Rm 5. CAPM |  |