

DEPARTMENT OF INDUSTRIAL AND MANAGEMENT ENGINEERING
INDIAN INSTITUTE OF TECHNOLOGY KANPUR



Syllabus: Mergers and Acquisitions (MBA776A)

MBA776A: Mergers and Acquisitions	Dr. Suman Saurabh
Semester 2021-22-II	sumans@iitk.ac.in
IIT Kanpur	Department of IME

This course begins with the **theories of mergers and acquisitions (M&A)** and extends to cover the **key financial methods used in M&As**. The **participants** will get exposure to (a) the **processes of identification and evaluation** of opportunities in the corporate-control market, (b) different **motivations for merging with or acquiring** a firm, (c) how a **deal-structure (stock only, cash only and cash plus stock deals)** affects value creation, (d) current regulatory & taxation laws pertaining to deal making in India, and (e) the specifics of **bid and offer pricing models**. Further, the course will cover **different tactics used by potential target firms to thwart a takeover bid** and discuss the appropriateness and effectiveness of the same. The course concludes with a discussion of key issues, which may go wrong in a takeover bid and **how to avoid such pitfalls**. The course will deliver **the skillsets needed to be a) a finance manager in a firm, b) be an equity research analyst, c) an investment banker, and d) consultant**.

A. Course Contents

Theory of M&As, Different types of restructuring in corporate control market, The process of M&A: Identification, Due Diligence, Evaluation of target, Primer on Valuation of M&A deals, Bid and offer pricing models, Synergy gains, Vertical and Horizontal Integration Models, Different tactics of takeover defense, Governance issues in M&A, Cross-border M&As, Pitfalls in M&A deal making, Current Regulatory and Taxation norms related to deal-making, Discussion of a few recent ongoing or concluded deals (Indian or global)

B. Administrative Structure

Prerequisite

- Accounting and Finance (MBA601A)
- Advanced Corporate Finance (MBA775A)

Contact Information and Office Hours

- Instructor: Suman Saurabh
 - Email: sumans@iitk.ac.in
 - Phone: 0512-259-2015
 - Office: IME-308

- Office hours: Tuesdays 11:30 am – 12:30 pm or by email/zoom
- Teaching Assistant: Ajinkya Dhanagare (ajinkya@iitk.ac ; office hours by appointment)

Schedule and Classroom

- Tuesdays and Fridays 14:00 pm – 15:15 pm (Online/Zoom/mooKIT)

Course Material

- Course lecture notes
 - Lectures notes will be shared on the mooKIT platform.
(<https://hello.iitk.ac.in/mba776a22/#/home>)
- Textbooks
 - **DD:** *Mergers, Acquisitions, and Other Restructuring Activities*, 8th Edition, Academic Press, ISBN: 978-93-5107-336-9
Donald M. DePamphilis
 - **KK:** *Mergers and Acquisitions: Valuation, Leveraged Buyouts, and Financing*, 1st Edition, Wiley, ISBN 978-81-265-5848-3
Sheeba Kapil and Kanwal N. Kapil
- Additional material
 - Handouts and other online resources will be shared through email alias (MBA776A@iitk.ac.in) and/or at mooKIT.

C. Requirements and Grading

Attendance Policy

- You are expected to attend all the classes.
- Attendance may be taken anytime during the class discussion hours.
- You should join the class discussion hour on time and attend the whole duration of the class. You must not exit a class (zoom meeting) without permission of the instructor/TA.

Evaluation Policy

Component	Weight	Detail
Class Participation and in class assessment (individual)	15%	<ul style="list-style-type: none"> Preparation for discussion of cases in class and attendance Surprise quizzes
Assignments: Case/Article/Research Paper summary (individual)	25%	<ul style="list-style-type: none"> You must submit a summary of each case, research paper, and additional articles (news, blog etc.) which shall be shared during the course.
Case Presentation (group)	20%	<ul style="list-style-type: none"> Each group may be required to submit/present up to 2 cases.
Course Project (group)	20%	<ul style="list-style-type: none"> Detailed instruction about the assignments and projects will be shared <u>through email</u>. Assignments and Projects will need to be <u>submitted</u> at the specified Google Drive link <u>before the deadline</u>. Late submissions will result in 50% deduction in the score obtained in the respective component. The grading for these components will have six scales (+++, ++, +, -, --, ---).
End-Term Exam (individual)	20%	<ul style="list-style-type: none"> The end term exam date for the course will be shared on the DOAA website.

Grading Policy

- Final grades will be based on an individual's relative performance in the class. There will be two sub-groups: a) MBA/M.Tech./Ph.D. and b) UG (BT/BS/MS). Each sub-group may be graded separately.

D. Course Policies

- Make-up exams:**
 - DOAA guidelines on make-up exam will be followed. To be excused from the end-term exam, you must contact the instructor prior to the exam and be prepared to furnish the *documented evidence* of the reason for missing out writing the exam on the scheduled date.

E. Course Outline

- The following is a tentative course outline. There may be minor deviations in the sequence of topics. The alterations could be on account of pace, material difficulty, and student preparedness & interest in the class discussions. You are advised to also **follow the announcements in class and over email** regarding the course schedule.

Course contents: Week	Topics
1-2	Theory of M&As, Different types of restructuring in corporate control market Reading(s): DD [Ch 1, 2], KK [Ch 1, 2] Cases: TBD
3-4	The process of M&A: Identification, Due Diligence, Evaluation of target, Primer on Valuation of M&A deals, Bid and offer pricing models Reading(s): DD [Ch 3, 4, 5], KK [Ch 4, 5] Case: TBD
5-6	Synergy gains, Vertical and Horizontal Integration Models, Different tactics of takeover defense, Governance issues in M&A, Cross-border M&As, Pitfalls in M&A deal making Reading(s): DD [Ch 3, 4, 5], KK [Ch 4, 5] Case: TBD
7	Current Regulatory and Taxation norms related to deal-making, Discussion of a few recent ongoing or concluded deals (Indian or global) Reading(s): DD [Ch 3, 4, 5], KK [Ch 4, 5] Case: TBD