

DISCIPLINE SPECIFIC ELECTIVE -FINANCE (DSE-4)

DSE 4: MERGERS, ACQUISITIONS AND CORPORATE RESTRUCTURING

Credit distribution, Eligibility and Pre-requisites of the Course

Course title & Code	Credits	Credit distribution of the course			Eligibility criteria	Pre-requisite of the course (if any)
		Lecture	Tutorial	Practical/ Practice		
Mergers and Acquisitions and Corporate Restructuring (DSE 4)	4	3	1	0	1 st year Undergraduate	Basics of Accounting and Analysis

Learning Objectives

- This course is designed to provide an understanding of the corporate restructuring, mergers and acquisitions with the basic methods of valuation, methods of payment and financing options at global level.

Learning Outcomes

On successful completion of the course the learner will be able to:

- Define the concept and importance of corporate restructuring for growth.
- Recognize opportunities for creating value through Mergers and Acquisitions.
- Illustrate and apply methods used in the valuation of a firm for M&A analysis.
- Understand the legal and regulatory framework for Mergers and Acquisitions.

SYLLABUS OF DSE 4

Unit I: Corporate Restructuring – An Overview (11 Hours)

Concept and importance of corporate restructuring, various forms of restructuring: joint ventures (types), Strategic alliance (types), Merger (types), Acquisition (types), Consolidation, Divestiture, Demerger (Spin-off, Split-up, Split-off), Equity carve-out, Management buyout, Leveraged buyout, Buyback of securities, ESOP.

Unit II: Merger & Acquisition (12 Hour)

Motives behind M&A, theories of M&A, process of M&A. Fast track merger. Cross border M&A concept, benefits & difficulties. Due diligence process. Methods of payment and financing options in M&A. Takeover defense tactics. Reasons for failure of M&A.

Unit III: Deal Valuation and Evaluation (11 Hour)

Methods of valuation; cash flow approaches, economic value added (EVA) (with numerical), sensitivity analysis (with numerical), Valuation for slump sale, valuation of synergy (with numerical), cost-benefit analysis and swap ratio determination (with numerical).

Unit IV: Legal and Regulatory Framework of M&A (11 Hour)

Provisions of Companies Act 2013, SEBI Takeover Code 2011, Provisions of Competition Act 2002.

Essential/recommended Readings (latest edition of the readings to be used)

1. Weston, F., Chung, Kwang S. and Siu, Jon A: *Takeovers, Restructuring and Corporate Governance*. Pearson Education. –Latest edition
2. Gupta, M. (2010). *Contemporary Issues in Mergers and Acquisitions*. Himalaya Publishing.
3. Sundarsanam. (2006). *Creating Value from Mergers and Acquisitions* (1st edition). Pearson Education.
4. Ramanujan. S. *Mergers: The New Dimensions for Corporate Restructuring*. McGraw Hill. -atest edition
5. Narayankar, R. (2013). *Merger and Acquisitions Corporate Restructuring, Strategy and Practices* (2nd edition). International Book House Pvt. Ltd.

Note: Examination scheme and mode shall be as prescribed by Examination Branch, University of Delhi, from time to time