

**FINC 4970      Special Topics  
FINC 7670 }      Mergers, Acquisitions, and Restructuring  
FINC 7676 }**

**Spring 2014**

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                              **or by appointment.**

### **Course Description**

This course builds on and integrates material learned in FINC 3630 and BUSI 7110/7116. The objective is to provide a strategic analysis of corporate restructuring decisions. Topics include valuation methods, control issues, takeover defense measures, and the causes and consequences of industrial and global diversification. This is a 3 credit hour course and students may not receive credit for both FINC 7670 and FINC 7676.

### **Prerequisites**

Students required to have successfully completed FINC 3630 (Advanced Business Finance) or BUSI 7110 or BUSI 7116 (Financial Analysis). Failure to meet any of these requirements may result in automatic withdrawal from the course.

### **Students With Disabilities**

Students who need accommodations are asked to electronically submit their approved accommodations through AU Access and to arrange a meeting during office hours the first week of classes, or as soon as possible if accommodations are needed immediately. If you have a conflict with my office hours, an alternate time can be arranged. To set up this meeting, please contact me by e-mail. If you have not established accommodations through the Office of Accessibility, but need accommodations, make an appointment with the Office of Accessibility, 1228 Haley Center, 844-2096 (V/TT).

## Course Materials

The following is required:

- Applied Mergers and Acquisitions (University Edition) by Robert F. Bruner, published by John Wiley & Sons, Inc. The workbook and CD are NOT required for this course.

In addition to the textbook:

- You are expected to have access to the Wall Street Journal. The Wall Street Journal is one of the most widely used sources of financial information among financial managers, investors, and other business people. Therefore, a subscription to the WSJ is vital to relate and apply the knowledge you will acquire in class to real world financial practice. A subscription to the Wall Street Journal is highly recommended.
- **PLEASE MAKE SURE ALL CELL PHONES ARE TURNED OFF BEFORE EACH LECTURE AND EXAM!!!**

## Grading

Grades will be based on the following:

### FINC 4970

Assignments:	15%
Exam #1 (January 30):	20%
Exam #2 (February 27):	20%
Exam #3 (March 27):	20%
Final Exam:	<u>25%</u>
	100%

### FINC 7670/7676

Project/Presentation:	15%
Exam #1 (January 30):	20%
Exam #2 (February 27):	20%
Exam #3 (March 27):	20%
Final Exam:	<u>25%</u>
	100%

Grades will be assigned according to the following scale:

A	≥ 90%
B	≥ 80% but < 90%
C	≥ 70 but < 80%
D	≥ 60 but < 70%
F	< 60%

### Justification for Graduate Credit (FINC 7670/7676)

The evaluation and expectations for graduate students taking this course differ from those of undergraduates taking this course. The details of the evaluation and grading are provided in the Grading section. In order to provide an opportunity to gain understanding and insight at an advanced level, graduate students are assigned a significant research project in which the principal objective is to present an in-depth merger analysis. In this project, graduate students will be required to demonstrate their ability to analyze and synthesize information regarding the valuation and strategy consequences to the firm. The culmination of this research/case is a professional report and presentation to the class that will demonstrate an advanced level of thinking and understanding of the course.

### Course Policies

Although attendance is not explicitly graded, students are expected to attend all classes, and will be held responsible for any content covered in the event of an absence. Students are granted excused absences from class for the following reasons: illness of the student or serious illness of a member of the student's immediate family, the death of a member of the student's immediate family, trips for student organizations sponsored by an academic unit, trips for university classes, trips for participation in intercollegiate athletic events, subpoena for a court appearance, and religious holidays. Students who wish to have an excused absence from class for any other reason must contact the instructor in advance of the absence to request permission. The instructor will weigh the merits of the request, and render a decision. When feasible, the student must notify the instructor prior to the occurrence of any excused absences, but in no case shall such notification occur more than one week after the absence. Appropriate documentation for all excused absences is required. Please consult the Student Policy eHandbook for more information on excused absences.

Arrangement to make up a missed major examination due to properly authorized excused absences must be initiated by the student within one week of the end of the period of the excused absence(s). Except in unusual circumstances, such as the continued absence of the student or the advent of university holidays, a make-up exam will take place within two weeks of the date that the student initiates arrangements for it. Except in extraordinary circumstances, no make-up exams will be arranged during the last three days before the final exam period begins.

This course will cover a significant amount of advanced material in a short amount of time. This course will require at least as much time studying outside of class as time spent in class. It is imperative that students keep up with the material each week. **DO NOT GET BEHIND!**

## **Academic Honesty**

Unless clearly instructed otherwise, all assignments, quizzes, and exams are closed-book. They are to be completed individually. This means no talking, sharing calculators or pens/pencils, etc., and no wandering eyes. If help is needed, see Dr. Yost. You have been warned – do not cheat! All portions of the Auburn University student academic honesty code (Title XII) found in the Student Policy eHandbook will apply to university courses. All academic honesty violations or alleged violations of the SGA Code of Laws will be reported to the Office of the Provost, which will then refer the case to the Academic Honesty Committee.

## **Course Outline**

We will be covering a significant amount of material during the semester. Keep up with it! This tentative course outline is subject to change.

<b>Topic</b>	<b>Chapter #</b>
Overview and Ethics in M&A	1-3
M&A Waves and Activity	4
Strategy and the Uses of M&A	6-7
The Fundamentals of Valuation	8-9
Other Valuation Issues	11-13
Liquidity and Control	15
Accounting and Value Creation	16-17
Deal Design	18-19
Form of Payment	20-22
Risk Management and Social Issues	23-24
Governance in M&A	26
Securities and Antitrust Law	27-28
Hostile Takeovers and Defenses	32-33
Presentations	
Presentations	