

MERGERS ACQUISITIONS AND CORPORATE RESTRUCTURING			
Course Code	22MBAFM404	CIE Marks	50
Teaching Hours/Week (L:P:SDA)	2:2:0	SEE Marks	50
Total Hours of Pedagogy	40	Total Marks	100
Credits	03	Exam Hours	03
Course Learning objectives: <ul style="list-style-type: none"> • To impart knowledge on theories and rationale of corporate restructuring. • To explain and critically evaluate M & A with its different classifications, strategies, theories, synergy etc. • To evaluate the financial forms of M & A. • To understand the HR & legal aspects of M & A. • To use appropriate defensive strategies against hostile takeovers. 			
Module-1 (6 hours)			
Corporate Restructuring Meaning, significance and forms of restructuring–sell-off, spin-off, divestitures, demerger, Equity Carve Out (ECO), Leveraged Buy Outs (LBO), Management Buy Out (MBO), Master Limited Partnership (MLP), Limited Liability Partnership (LLP) and joint ventures. (Theory). Introduction to cross-borders mergers and acquisitions.			
Module-2 (6 hours)			
Mergers and Acquisitions (M&A): Introduction of M & A, Meaning-types of mergers–Merger Motives-Theories of Mergers-Mergers and industry life cycle, Reasons for failures of M & A-synergy-types of synergy–value creation in M&A (Theory).			
Module-3 (6 hours)			
Merger Process: Procedure for effecting M & A-Five-stage model–Due diligence–Types, process and challenges of due diligence-HR aspects of M & A–Tips for successful mergers-Process of merger integration (Theory).			
Module-4 (8 hours)			
Financial Evaluation of M & A Merger as a capital budgeting-Business valuation approaches-asset based, market based and income based approaches-Exchange Ratio (Swap Ratio)-Methods of determining exchange rate. (Theory and Problems).			
Module-5 (8 hours)			
Accounting aspects of Amalgamation: Types of amalgamations (Amalgamation in the nature of merger and amalgamation in the nature of purchase)-Methods of Accounting-Pooling of interest method and Purchase method)–Calculation of purchase consideration-Journal entries in the books of transferor & transferee company-Ledger accounts in the books of transferor and transferee companies. (Theory and Problems).			
Module-6 (6 hours)			
Acquisitions/Takeovers & Post acquisition integration: Meaning and types of acquisition/takeovers (Friendly and Hostile takeovers)-Anti-takeover strategies-Anti-takeover amendments-Legal and human framework of M & A-Combination and Competition Act-2002, Competition Commission of India (CCI)-The SEBI Substantial Acquisition of Shares and Takeover (Takeover code-2011). Post acquisition integration: Organization and human aspect of post			

acquisition –Stages in the integration process (Theory).

Assessment Details (both CIE and SEE)

The weightage of Continuous Internal Evaluation (CIE) is 50% and for Semester End Exam (SEE) is 50%. The minimum passing marks for the CIE is 50% of the maximum marks. Minimum passing marks in SEE is 40% of the maximum marks of SEE. A student shall be deemed to have satisfied the academic requirements (passed) and earned the credits allotted to each course if the student secures not less than 50% in the sum total of the CIE (Continuous Internal Evaluation) and SEE (Semester End Examination) taken together.

Continuous Internal Evaluation:

There shall be a maximum of 50 CIE Marks. A candidate shall obtain not less than 50% of the maximum marks prescribed for the CIE.

CIE Marks shall be based on:

- a) Tests (for 25Marks) and
- b) Assignments, presentations, Quiz, Simulation, Experimentation, Mini project, oral examination, field work and class participation etc., (for 25 Marks) conducted in the respective course. Course instructors are given autonomy in choosing a few of the above based on the subject relevance and should maintain necessary supporting documents for same.

Semester End Examination:

The SEE question paper will be set for 100 marks and the marks scored will be proportionately reduced to 50.

- The question paper will have 8 full questions carrying equal marks.
- Each full question is for 20 marks with 3 sub questions.
- Each full question will have sub question covering all the topics.
- The students will have to answer five full questions; selecting four full question from question number one to seven in the pattern of 3, 7 & 10 Marks and question number eight is compulsory.
- 50 percent theory and 50 percent problems.

Suggested Learning Resources:

Books

1. Mergers Acquisitions & Corporate Restructuring - Strategies & Practices, Rabi Narayan Kar and Minakshi, Taxmann's, 3/e, 2017.
2. Mergers and Acquisitions, Sheeba Kapil and Kanwal N. Kapil, Wiley, 2/e, 2017.
3. Mergers, Acquisitions and Corporate Restructuring: Text and Cases, Chandrashekar, Krishnamurti & Vishwanath S, Sage Publications, 2/e, 2018.
4. Mergers, Acquisitions and Takeovers, H.R.Machiraju, New Age International Publishers, 1/e, 2010.

Web links and Video Lectures (e-Resources):

- <https://www.mca.gov.in/MinistryV2/mergers+and+acquisitions.html>
- <https://imaa-institute.org/e-library-m-and-a/>
- <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/mergers-acquisitions/us-ma-making-the-deal-work-strategy.pdf>
- <https://corporatefinanceinstitute.com/resources/knowledge/deals/motives-for-mergers/>

Note: The aforesaid links and study materials are suggestive in nature, they may be used with due regards to copy rights, patenting and other IPR rules.

Skill Development Activities Suggested

- Case studies assigned to group of students to analyse the process of recent mergers of various sectors.
- Evaluate the financial performance of Company's pre and post merger deal using financial tools/ ratios.
- Students need to choose any two latest M & A deal, announced/completed in the Indian corporate sector and Compile complete details of the deal. Study the deal in the light of the following:
 1. Nature of the deal: merger, amalgamation, acquisition, takeover, OR any program of corporate restructuring Valuation/Financials involved in the deal.
 2. Synergies/benefits likely to emerge from the deal.
 3. Challenges/Impact/Problems-associated with the deal.

Course outcome

At the end of the course the student will be able to :

Sl. No.	Description	Blooms Level
CO1	To explain the major forms and objectives of corporate restructuring.	L5
CO2	To describe the process of value creation under different forms of M & A	L6
CO3	To Understand M&A with its different classifications, strategies, theories, synergy etc.	L1
CO4	To Conduct financial evaluation of M&A	L5
CO5	To Analyze and demonstrate the accounting aspects of Amalgamation	L4
CO6	To Critically evaluate different types of M&A, takeover and anti takeover strategies	L5

01.02.2023

Mapping of COS and Pos

	PO1	PO2	PO3	PO4	PO5	PSO1	PSO2	PSO3	PSO4
CO1	2					2			
CO2	1	2					2		
CO3	1					1			
CO4	1			3	1		3		
CO5		2			1				2
CO6			1	3	1		2		1



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