



MASTER IN BUSINESS ADMINISTRATION

C O U R S E S Y L L A B U S

MERGERS AND ACQUISITIONS

Course Code:	M&As
Faculty :	Prof. Errol Perez
Class:	MBA 16 Month – Batch 1
Sessions:	Third Term – 20 sessions

Course Objectives

The objective of the course is to describe the business activity called “mergers and acquisitions” (M&As), inclusive of general regulatory considerations as well as specifics, valuation methods and structuring issues.

The grade will be 100% based on class participation; as such, students should expect to be called and not just volunteer.

References:

- a. A set of readings on corporate governance;
- b. At least 2 textbooks on reserve, by different authors; and
- c. A set of readings (10) for guidance as to frameworks to use.

Indicative cases and sequence of (may be changed by the professor);

Course Outline:

Readings:

1. M&A Legal Context: Basic Framework for Corporate Governance
2. Techniques of Purchasing a Company
3. Note on Tax and Accounting Issues in Mergers and Acquisitions
4. Note on Valuation Analysis for Mergers and Acquisitions
5. Technical Note on Equity-Linked Consideration, Part 1: All-Stock Deals
6. Technical Note on Equity-Linked Consideration, Part 2: Announcement Effects
7. Technical Note on Equity-Linked Consideration, Part 3: Cash-and-Stock Deals
8. Technical Note on LBO Valuation (A)
9. Technical Note on LBO Valuation (B)

10. The M&A “Pitch Book”: Proposed Acquisition of Heller Financial by United Technologies Corporation

1	Case: Fogdog
2	Case: Anheuser-Busch and Campbell Taggart
3	Case: Walt Disney Productions: Greenmail
4	Case: Lyonnaise Des Eaux
5	Case: Brazos Partners: the CoMark LBO
6	Case: Hewlett-Packard-Compaq: The Merger Decision
7	Case: Utah Symphony and Utah Opera: A Merger Proposal
8	Case: Unocal Corporation: China’s Unwelcome Bid
9	Case: Framedia (A) Handout: Framedia (B)
10	Case: Vodafone AirTouch’s Bid for Mannesman
11	Case: PepsiCo’s Bid for Quaker Oats (A) Handout: PepsiCo’s Bid for Quaker Oats (B)
12	Case: Risk Arbitrage: Abbott Labs and Alza (A) Handout: Risk Arbitrage: Abbott Labs and Alza (B) Reading: Warner & Swasey: An Arbitrageur’s Perspective
13	Case: Northrop versus TRW
14	Case: American Telephone & Telegraph (AT&T): The AT&T/MCCAW Merger Negotiation
15 – 18	Exercise Cases: (to be given in class) <ol style="list-style-type: none"> 1. Takeover! 1997 (A) The Target: Global Foods Corporation 2. Takeover! 1997 (B) The Raider: Continental Finance Corporation 3. Takeover! 1997 (C) The LBO Firm: Lanza and Company 4. Takeover! 1997 (D) The White Knight: United Brands Corporation
19	Case: Valuing a Cross-Border LBO: Bidding on the Yell Group
20	Case: Dow Chemical’s Bid for the Privatization of PBB in Argentina