



# MGSM858

## Corporate Acquisitions

Term 4 North Ryde 2018

*MGSM Degree Programs*

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#### **Disclaimer**

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## General Information

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| Unit convenor and teaching staff<br>Unit Convenor<br>Mark Stewart<br><a href="mailto:mark.stewart@mq.edu.au">mark.stewart@mq.edu.au</a>  |
| Credit points<br>4   |
| Prerequisites<br>MGSM840 and MGSM835   |
| Corequisites   |
| Co-badged status   |
| Unit description<br>The study of corporate mergers/acquisitions is truly interdisciplinary, and for this reason, our unit will draw on material from the fields of strategy, accounting, law, economics and corporate finance. The unit broadly covers each of the following topics: - Evaluation of the strategy and motives for acquisitions - Valuing targets to determine optimum acquisition price - Financing considerations for acquisitions - Deal design and structure - The main forms of corporate combinations and their motivation - Due diligence - Implementation and post-implementation planning. |

## Important Academic Dates

Information about important academic dates including deadlines for withdrawing from units are available at <https://www.mq.edu.au/study/calendar-of-dates>

## Learning Outcomes

On successful completion of this unit, you will be able to:

Critically assess the key factors relevant to corporate acquisitions including corporate strategy, valuation and pricing of targets, transaction funding and design and structure and, the main types of corporate transactions, in order to make well developed and commercially robust business decisions involving mergers and acquisitions.

Assess and integrate non financial factors (such as ethical, social and environmental considerations) – for responsible business and management decisions involving corporate acquisitions.

Critically assess factors relating to national and global economic activity and the impact

of diverse cultural and market contexts on corporate acquisitions.

Identify and critically analyse stakeholder interests relevant to corporate development strategies involving mergers and acquisitions with a view to creating value for the firm and arising benefits to its stakeholders.

Consider issues relating to transaction implementation processes and post acquisition integration plans to ensure the success of the corporate acquisition.

## General Assessment Information

### Written Assignments

Written assignments will be assessed from both an academic and commercial perspective. From a commercial perspective, the written assignments need to have been edited to remove spelling and grammatical errors and to be clearly written. You should include contents and page numbering. From an academic perspective, all sources for the material used in the document need to be cited and a bibliography of source materials and any interviews undertaken appended – using the Harvard system as prescribed by Macquarie University.

The Individual Assignment and the Syndicate Assignment must be lodged on iLearn/Turnitin by the student (for the Individual Assignment) and by the syndicate team (for the Syndicate Assignment).

No extensions will be granted. There will be a late penalty deduction of 10% of total marks for the report for each 24 hour period (or part thereof) that the submission is late. This penalty does not apply for cases in which an application for Special Consideration has been made and has been approved.

## Assessment Tasks

| Name   | Weighting | Hurdle | Due           |
|--|-----------|--------|---------------|
| <a href="#"><u>Quiz 1 Regulatory Environment</u></a> | 15%       | No     | TBA on iLearn |
| <a href="#"><u>Quiz 2 Value Creation</u></a>         | 15%       | No     | TBA on iLearn |
| <a href="#"><u>Individual Assignment</u></a>         | 35%       | No     | TBA in iLearn |
| <a href="#"><u>Syndicate Assignment</u></a>          | 35%       | No     | TBA in iLearn |

### Quiz 1 Regulatory Environment

Due: **TBA on iLearn**

Weighting: **15%**

In class quiz that addresses the Regulatory Environment.

MCQ - 15 questions each worth 1 mark.

On successful completion you will be able to:

- Critically assess the key factors relevant to corporate acquisitions including corporate strategy, valuation and pricing of targets, transaction funding and design and structure and, the main types of corporate transactions, in order to make well developed and commercially robust business decisions involving mergers and acquisitions.
- Consider issues relating to transaction implementation processes and post acquisition integration plans to ensure the success of the corporate acquisition.

## Quiz 2 Value Creation

Due: **TBA on iLearn**

Weighting: **15%**

In class quiz that addresses Value Creation.

MCQ - 15 questions each worth 1 mark.

On successful completion you will be able to:

- Critically assess the key factors relevant to corporate acquisitions including corporate strategy, valuation and pricing of targets, transaction funding and design and structure and, the main types of corporate transactions, in order to make well developed and commercially robust business decisions involving mergers and acquisitions.
- Identify and critically analyse stakeholder interests relevant to corporate development strategies involving mergers and acquisitions with a view to creating value for the firm and arising benefits to its stakeholders.

## Individual Assignment

Due: **TBA in iLearn**

Weighting: **35%**

This assignment refers to a Case Study involving the proposed acquisition of an industrial manufacturing company. Students are required to respond to several questions that address key aspects of the Case Study including strategic issues, value issues, pricing issues and integration issues. Students are NOT required to undertake research outside of the Case Study.

Details of the assignment and the Case Study will be provided on iLearn.

**Length:** 3,000 words maximum **Submission Format:** Soft copy only

On successful completion you will be able to:

- Critically assess the key factors relevant to corporate acquisitions including corporate

strategy, valuation and pricing of targets, transaction funding and design and structure and, the main types of corporate transactions, in order to make well developed and commercially robust business decisions involving mergers and acquisitions.

- Assess and integrate non financial factors (such as ethical, social and environmental considerations) – for responsible business and management decisions involving corporate acquisitions.
- Critically assess factors relating to national and global economic activity and the impact of diverse cultural and market contexts on corporate acquisitions.
- Identify and critically analyse stakeholder interests relevant to corporate development strategies involving mergers and acquisitions with a view to creating value for the firm and arising benefits to its stakeholders.

## Syndicate Assignment

Due: **TBA in iLearn**

Weighting: **35%**

This assignment involves the preparation of a "Board Submission" in relation to a proposed acquisition. It is a syndicate assignment with students working in teams of about 5 persons (self selected).

The submission is to address the proposed acquisition of EITHER an ASX listed company OR a major division of an ASX listed company. The proposed acquisition is determined by the syndicate (subject to prior approval by the unit convenor).

The content of the submission will address key aspects of the unit including strategic issues, regulatory issues, value issues, pricing issues, funding issues, implementation process issues and high level integration issues.

The submission comprises two parts:

Executive Summary - in Powerpoint form (or similar) as a Board Presentation. Maximum of 10 slides. Note that the syndicate is NOT required to make the presentation.

Supporting Report - in MSWord form (or similar) as a report. Maximum of 4,500 words.

Details of the assignment and a sample submission will be provided on iLearn.

**Length:** 4,000 words maximum

**Format:** Final report in print and soft copy

**Mark Allocation:** The total mark allocation for a student (scored out of 35) will comprise 50% attributed to the Team Report and 50% attributed to the contribution by that student to the Team Report. Each student will be required to complete a Peer and Self Assessment form so that the contribution of individual members of a team can be identified and assessed.

On successful completion you will be able to:

- Critically assess the key factors relevant to corporate acquisitions including corporate strategy, valuation and pricing of targets, transaction funding and design and structure and, the main types of corporate transactions, in order to make well developed and commercially robust business decisions involving mergers and acquisitions.
- Assess and integrate non financial factors (such as ethical, social and environmental considerations) – for responsible business and management decisions involving corporate acquisitions.
- Critically assess factors relating to national and global economic activity and the impact of diverse cultural and market contexts on corporate acquisitions.
- Identify and critically analyse stakeholder interests relevant to corporate development strategies involving mergers and acquisitions with a view to creating value for the firm and arising benefits to its stakeholders.
- Consider issues relating to transaction implementation processes and post acquisition integration plans to ensure the success of the corporate acquisition.

## **Delivery and Resources**

### **Required Text**

There is no required text for this unit. Readings for some topics are provided and will be made available on iLearn during the program.

### **Case Studies and Simulations**

The delivery of this unit involves extensive use of Case Studies to be addressed in class. The Case Studies comprise three main types - Harvard Business School (or similar); classic actual transactions; and, contemporary actual transactions.

For some Case Studies pre-reading is required. Details will be provided on iLearn. It is required that all students **MUST** complete the pre-reading before attending class.

Two of the Case Studies are in the form of a Simulation. Students will be provided with all relevant materials and allocated roles within the simulation. Access to a laptop (or similar) will be required.

Some of the Case Studies involve students working in small groups. Groups will be allocated by random draw on a case by case basis.

### **MGSM iLearn**

The web page for this unit can be found at: <https://ilearn.mq.edu.au/login/MGSM>

## **Unit Schedule**

Students are required to attend all classes.

**CLASS OFFERING** (9am-5pm, 5-7, 20-21 October 2018)

The unit will be presented as follows:

| SESSION: | DATE       | TITLE  |
|----------|------------|--|
| 1        | 5 October  | Corporate Strategy and the Role and Purpose of M&A |
| 2        | 5 October  | Regulatory Framework                               |
| 3        | 6 October  | Value Creation                                     |
| 4        | 6 October  | Private Treaty Acquisitions                        |
| 5        | 7 October  | Value and Price                                    |
| 6        | 7 October  | Private Equity Acquisitions                        |
| 7        | 20 October | Takeovers - part A                                 |
| 8        | 20 October | Takeovers - part B                                 |
| 9        | 21 October | Negotiation of Acquisition Terms                   |
| 10       | 21 October | Review and Integration                             |

## Policies and Procedures

Macquarie University policies and procedures are accessible from [Policy Central \(https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central\)](https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central). Students should be aware of the following policies in particular with regard to Learning and Teaching:

- [Academic Appeals Policy](#)
- [Academic Integrity Policy](#)
- [Academic Progression Policy](#)
- [Assessment Policy](#)
- [Fitness to Practice Procedure](#)
- [Grade Appeal Policy](#)
- [Complaint Management Procedure for Students and Members of the Public](#)
- [Special Consideration Policy](#) (**Note:** *The Special Consideration Policy is effective from 4 December 2017 and replaces the Disruption to Studies Policy.*)

Undergraduate students seeking more policy resources can visit the [Student Policy Gateway \(https://students.mq.edu.au/support/study/student-policy-gateway\)](https://students.mq.edu.au/support/study/student-policy-gateway). It is your one-stop-shop for the key policies you need to know about throughout your undergraduate student journey.

If you would like to see all the policies relevant to Learning and Teaching visit [Policy Central \(http://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central\)](http://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central).

## Student Code of Conduct

Macquarie University students have a responsibility to be familiar with the Student Code of Conduct: <https://students.mq.edu.au/study/getting-started/student-conduct>

## Results

Results shown in *iLearn*, or released directly by your Unit Convenor, are not confirmed as they are subject to final approval by the University. Once approved, final results will be sent to your student email address and will be made available in [eStudent](#). For more information visit [ask.mq.edu.au](http://ask.mq.edu.au).

## Student Support

Macquarie University provides a range of support services for students. For details, visit <http://students.mq.edu.au/support/>

## Learning Skills

Learning Skills ([mq.edu.au/learningskills](http://mq.edu.au/learningskills)) provides academic writing resources and study strategies to improve your marks and take control of your study.

- [Workshops](#)
- [StudyWise](#)
- [Academic Integrity Module for Students](#)
- [Ask a Learning Adviser](#)

## Student Services and Support

Students with a disability are encouraged to contact the [Disability Service](#) who can provide appropriate help with any issues that arise during their studies.

## Student Enquiries

For all student enquiries, visit Student Connect at [ask.mq.edu.au](http://ask.mq.edu.au)

## IT Help

For help with University computer systems and technology, visit [http://www.mq.edu.au/about\\_us/offices\\_and\\_units/information\\_technology/help/](http://www.mq.edu.au/about_us/offices_and_units/information_technology/help/).

When using the University's IT, you must adhere to the [Acceptable Use of IT Resources Policy](#). The policy applies to all who connect to the MQ network including students.



## Graduate Capabilities

### PG - Capable of Professional and Personal Judgment and Initiative

Our postgraduates will demonstrate a high standard of discernment and common sense in their professional and personal judgment. They will have the ability to make informed choices and decisions that reflect both the nature of their professional work and their personal perspectives.

This graduate capability is supported by:

#### Learning outcomes

- Critically assess the key factors relevant to corporate acquisitions including corporate strategy, valuation and pricing of targets, transaction funding and design and structure and, the main types of corporate transactions, in order to make well developed and commercially robust business decisions involving mergers and acquisitions.
- Assess and integrate non financial factors (such as ethical, social and environmental considerations) – for responsible business and management decisions involving corporate acquisitions.
- Critically assess factors relating to national and global economic activity and the impact of diverse cultural and market contexts on corporate acquisitions.
- Identify and critically analyse stakeholder interests relevant to corporate development strategies involving mergers and acquisitions with a view to creating value for the firm and arising benefits to its stakeholders.
- Consider issues relating to transaction implementation processes and post acquisition integration plans to ensure the success of the corporate acquisition.

#### Assessment tasks

- Quiz 1 Regulatory Environment
- Quiz 2 Value Creation
- Individual Assignment
- Syndicate Assignment

### PG - Discipline Knowledge and Skills

Our postgraduates will be able to demonstrate a significantly enhanced depth and breadth of knowledge, scholarly understanding, and specific subject content knowledge in their chosen fields.

This graduate capability is supported by:

## Learning outcomes

- Critically assess the key factors relevant to corporate acquisitions including corporate strategy, valuation and pricing of targets, transaction funding and design and structure and, the main types of corporate transactions, in order to make well developed and commercially robust business decisions involving mergers and acquisitions.
- Assess and integrate non financial factors (such as ethical, social and environmental considerations) – for responsible business and management decisions involving corporate acquisitions.
- Critically assess factors relating to national and global economic activity and the impact of diverse cultural and market contexts on corporate acquisitions.
- Identify and critically analyse stakeholder interests relevant to corporate development strategies involving mergers and acquisitions with a view to creating value for the firm and arising benefits to its stakeholders.
- Consider issues relating to transaction implementation processes and post acquisition integration plans to ensure the success of the corporate acquisition.

## Assessment tasks

- Quiz 1 Regulatory Environment
- Quiz 2 Value Creation
- Individual Assignment
- Syndicate Assignment

## PG - Critical, Analytical and Integrative Thinking

Our postgraduates will be capable of utilising and reflecting on prior knowledge and experience, of applying higher level critical thinking skills, and of integrating and synthesising learning and knowledge from a range of sources and environments. A characteristic of this form of thinking is the generation of new, professionally oriented knowledge through personal or group-based critique of practice and theory.

This graduate capability is supported by:

## Learning outcomes

- Critically assess the key factors relevant to corporate acquisitions including corporate strategy, valuation and pricing of targets, transaction funding and design and structure and, the main types of corporate transactions, in order to make well developed and commercially robust business decisions involving mergers and acquisitions.
- Critically assess factors relating to national and global economic activity and the impact of diverse cultural and market contexts on corporate acquisitions.

- Identify and critically analyse stakeholder interests relevant to corporate development strategies involving mergers and acquisitions with a view to creating value for the firm and arising benefits to its stakeholders.
- Consider issues relating to transaction implementation processes and post acquisition integration plans to ensure the success of the corporate acquisition.

### **Assessment tasks**

- Quiz 2 Value Creation
- Individual Assignment
- Syndicate Assignment

## **PG - Research and Problem Solving Capability**

Our postgraduates will be capable of systematic enquiry; able to use research skills to create new knowledge that can be applied to real world issues, or contribute to a field of study or practice to enhance society. They will be capable of creative questioning, problem finding and problem solving.

This graduate capability is supported by:

### **Learning outcomes**

- Critically assess the key factors relevant to corporate acquisitions including corporate strategy, valuation and pricing of targets, transaction funding and design and structure and, the main types of corporate transactions, in order to make well developed and commercially robust business decisions involving mergers and acquisitions.
- Critically assess factors relating to national and global economic activity and the impact of diverse cultural and market contexts on corporate acquisitions.
- Identify and critically analyse stakeholder interests relevant to corporate development strategies involving mergers and acquisitions with a view to creating value for the firm and arising benefits to its stakeholders.
- Consider issues relating to transaction implementation processes and post acquisition integration plans to ensure the success of the corporate acquisition.

### **Assessment tasks**

- Quiz 1 Regulatory Environment
- Quiz 2 Value Creation
- Individual Assignment
- Syndicate Assignment

## PG - Effective Communication

Our postgraduates will be able to communicate effectively and convey their views to different social, cultural, and professional audiences. They will be able to use a variety of technologically supported media to communicate with empathy using a range of written, spoken or visual formats.

This graduate capability is supported by:

### Learning outcomes

- Assess and integrate non financial factors (such as ethical, social and environmental considerations) – for responsible business and management decisions involving corporate acquisitions.
- Identify and critically analyse stakeholder interests relevant to corporate development strategies involving mergers and acquisitions with a view to creating value for the firm and arising benefits to its stakeholders.

### Assessment tasks

- Individual Assignment
- Syndicate Assignment

## PG - Engaged and Responsible, Active and Ethical Citizens

Our postgraduates will be ethically aware and capable of confident transformative action in relation to their professional responsibilities and the wider community. They will have a sense of connectedness with others and country and have a sense of mutual obligation. They will be able to appreciate the impact of their professional roles for social justice and inclusion related to national and global issues

This graduate capability is supported by:

### Learning outcomes

- Assess and integrate non financial factors (such as ethical, social and environmental considerations) – for responsible business and management decisions involving corporate acquisitions.
- Identify and critically analyse stakeholder interests relevant to corporate development strategies involving mergers and acquisitions with a view to creating value for the firm and arising benefits to its stakeholders.

### Assessment task

- Syndicate Assignment

## Alignment with MGSM's mission-driven attributes

**Leadership:** The unit develops an understanding of the role and purpose of corporate acquisitions within public and private markets and its importance in achieving value creation.

**Global mindset:** The unit enables students to consider the characteristics and strategic significance of cross border corporate transactions.

**Citizenship:** The unit fosters an appreciation of ethics and other non financial drivers in the development of successful corporations.

**Creating sustainable value:** The unit encourages understanding of how corporate acquisitions and their effective implementation contribute to the overall economic well-being of the firm and its stakeholders.

## Attendance Policy (MGSM)

The interactive environment of the classroom is central to the MGSM experience. Students are required to attend the full duration of all classes for the units in which they are enrolled. We recognise that exceptional circumstances may occur, such as unavoidable travel on behalf of your organization or the serious illness or injury of you or a close family member.

Special consideration may be given for a maximum of 20% non-attendance for such circumstances as long as lecturers are contacted in advance, and supporting documentation provided, to request exemption from attendance. Failure to abide by these conditions may result in automatic withdrawal, with academic and/or financial penalty. The full Student Attendance Policy is published in the MGSM Student Handbook at <https://students.mgsm.edu.au/handbook>.

## Content Disclaimer

These unit materials and the content of this unit are provided for educational purposes only and no decision should be made based on the material without obtaining independent professional advice relating to the particular circumstances involved.