

## Syllabus

### Course description

<b>Course title</b>	<b>CORPORATE RESTRUCTURING MERGERS AND ACQUISITIONS (RMA)</b>
<b>Course code</b>	<b>25417</b>
<b>Scientific sector</b>	SECS-P/09
<b>Degree</b>	LM-77 Accounting and Finance
<b>Semester and academic year</b>	1st semester 2019-2020
<b>Year</b>	2
<b>Credits</b>	6
<b>Modular</b>	No

<b>Total lecturing hours</b>	36
<b>Total lab hours</b>	-
<b>Total exercise hours</b>	-
<b>Attendance</b>	<p>Highly recommended, although not compulsory as per national regulation.</p> <p>Student planning to regularly attend course, must register through UNIBZ course OLE (Open Learning Environment) platform <b>as attending student</b> in order to be able to actively participate in class blog, coursework upload, and other classroom related activities.</p> <p>Student not attending course must register through UNIBZ OLE platform <b>as not attending student</b> in order to be able to download teaching material required to study for final exam preparation.</p>
<b>Prerequisites</b>	Undergraduate introductory courses in finance, and in addition graduate/master level first year class in Advanced Corporate Finance.
<b>Course page</b>	<a href="https://www.unibz.it/en/faculties/economics-management/master-accounting-finance/study-plan-finance-and-financial-markets/">https://www.unibz.it/en/faculties/economics-management/master-accounting-finance/study-plan-finance-and-financial-markets/</a>

<b>Specific educational objectives</b>	<p>Corporate Restructuring: Mergers and Acquisitions (RMA) is a second-year course for students attending the M.Sc. in Accounting and Finance.</p> <p>RMA is a graduate course designed to provide the student with an advanced background on corporate restructuring activities. Most of class focus will be on mergers and acquisitions (M&amp;A) which are often an integral component of growth strategy of many firms. M&amp;A are intended to assist in achieving or maintaining competitive advantage by anticipating and adjusting to change. Firm or</p>
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sector changes are usually observed because of some fundamental shock. Literature has found several important shocks that motivate and sometime force corporate restructuring. However, the vast literature on this area has converged to three main factors that explain why firms restructure their business, asset mix, and ownership: technology advancements, deregulation, and financial innovation.

Students attending this course will learn to compare costs, risks and benefits by combining firms or business segments. This part of class is crucial as there have been many successful M&A, but at the same time there have been a troublingly high amount of M&A failures. By examining the reasons of successful and failed M&A students will learn a great deal on how to design deals when a firm wish to growth through an external strategy to adjust to a new competitive environment. The course will employ also simulations to engage participating students in the role of buyers, targets, or advisors that are involved in M&A deals.

However, another important component of corporate restructuring are transactions designed to change ownership, investment mix or even shrink the firm size. Examples of these type of restructuring are divestitures, spin-offs, and carve-outs. Again, on these type of restructuring transactions we'll employ similar valuation and costs and benefits analysis we examined in M&A.

Corporate Restructuring Mergers and Acquisitions main educational objectives are to provide students with a sound understanding of illustrated topics and be able to analyze and respond to questions such as:

- a) How should an analyst or investor or manager understand M&A activity? Is Economics and Finance sufficient, or do we need to know the underlying psychology of involved players?
- b) What are the main drivers of success in M&A and other restructurings?
- c) What are the most important details and deal characteristics we need to know to understand whether a merger, an acquisition or a break-up decision will work?
- d) How important are external advisors such as lawyers, investment bankers, accountants, in restructuring activities?

	Students will learn the big issues in designing corporate restructuring strategies that apply to a contractual relationship with a local bank to arm's length transactions in global capital markets.
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<b>Lecturer</b>	Maurizio Murgia Office SER E501 Tel. 0471/013110 <a href="mailto:maurizio.murgia@unibz.it">maurizio.murgia@unibz.it</a> <a href="https://www.mauriziomurgia.com">https://www.mauriziomurgia.com</a>
<b>Lecturer Scientific sector</b>	13/B4 - SECS-P/09 – Corporate Finance
<b>Teaching language</b>	English
<b>Office hours</b>	18 Please refer to the lecturer's web page
<b>Lecturing assistant</b>	-
<b>Teaching assistant</b>	-
<b>Office hours</b>	-
<b>List of topics covered</b>	The main subject areas covered in the course are: The costs and benefits of M&A and other restructuring transactions such as divestitures and asset sales, spinoffs, carveouts. Valuation and deal techniques to assist corporate restructuring. The influence of taxes, agency issues and legal aspects in designing efficient corporate restructuring.
<b>Teaching format</b>	Classroom activity will alternate background lectures, exercises, case study sessions, and merger and acquisition deal simulations.

<b>Learning outcomes</b>	<p><b>LEARNING OUTCOMES:</b></p> <p><u>Knowledge and understanding:</u></p> <ul style="list-style-type: none"> <li>• Knowledge and understanding of the methodologies necessary for analyzing and compare alternative restructuring activities, from M&amp;A that are intended to increase size and complexity to break-ups decisions such as selling or spinning or splitting off assets to reduce size or make more efficient corporate asset organization. These methods encompass valuation, risk analysis and forecasting under uncertainty. Students will learn how to compare the costs and benefits of alternative restructuring solutions and be able to propose and defend them.</li> </ul> <p><u>Applying knowledge and understanding:</u></p> <ul style="list-style-type: none"> <li>• Ability to use modern finance theory, financial models, statistical and analysis applied to M&amp;A and restructuring decisions. Understanding how financial markets and intermediaries work for complete M&amp;A and restructuring deals.</li> </ul>
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	<p>The course combines the latest academic thinking with hands-on business practice and its main goal is that attending students should develop by the end of classroom activity an expanded ability to analyze and think about sound M&amp;A and restructuring decisions, and to defend these decisions with analytical reasoning.</p> <p>This course will use a combination of lectures, technical notes, outside readings, case discussions, and online simulations to study Corporate restructuring and M&amp;A. Class participation and active discussion is both expected and encouraged. Students are expected to have thoroughly read all the assigned material in advance of the class to ensure better understanding of the issues involved and to have meaningful class participation. Students should carefully read and be prepared to discuss all assigned cases. Students should expect to work intensively outside of class time and to prepare an average of one case study per week. Each case will come with guideline questions. Case studies and supplemental readings (to be found in the Library course shelf and Online Reserve Collection) are detailed in the course outline. We frequently ask for volunteers as well as we make cold call. Students are encouraged to follow the M&amp;A activity that is reported in the press during the classroom time and bring up issues and events associated with material covered in class. However, please coordinate with Instructor in advance.</p>
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<p><b>Assessment</b></p>	<p><u>Attending Students</u></p> <p>Student final grade will be a mixture of: a M&amp;A simulation (30%), class participation to case study discussion (20%), final exam (50%). Please note that simulation and case study discussion grades are valid for one academic year and cannot be carried over beyond that time.</p> <p><u>Not Attending Students</u></p> <p>Not attending students will be assessed through a final exam test (100%) that covers all course material.</p>
<p><b>Assessment language</b></p>	<p>English</p>
<p><b>Evaluation criteria and criteria for awarding marks</b></p>	<p>Final exam is a written test at PC-Lab classroom. Students are allowed access to MS-Office software and quality of written English is essential to earn the passing grade.</p>

<p><b>Required readings</b></p>	<p>Patrick A. Gaughan, <i>Mergers, Acquisitions, and Corporate Restructurings</i>, 7th edition, Wiley 2018 (Chapters: 1-4-5-6-7-10-11-15. In addition read Research Note Event Studies pp.124-126). Some further readings and notes could be handed out in advance of specific class sessions.</p>
<p><b>Supplementary readings</b></p>	<p>Teaching Slides and case studies to be downloaded from course UNIBZ OLE Platform. Some further case study could be handed out during class sessions.</p>