

DSE IV: MDG 605: INTERNATIONAL JOINT VENTURES, MERGERS & ACQUISITIONS

Course Objective:

This course is designed to provide an understanding of the essential elements of Joint Ventures, Mergers and Acquisitions with the basic methods of valuation, post-merger valuation, methods of payment and financing options at global level.

Learning Outcomes:

- To facilitate the understanding of process and economic rationales of corporate restructuring tools such as Joint Ventures and Mergers & Acquisitions, particularly in International domain of operation.
- To enable the deep understanding of techniques of application of M&As and Joint Ventures.
- To enable to apply the valuation techniques to M&A as well as Joint Venture assessment and decision making.
- To enable the student to acquire analytical skills in analyzing real-world cases in the need for M&A as well as Joint Venture in a respective International ventures.
- To develop skills in group work, including communication, collaboration, and presentation.

Course Contents:

Unit I

(2 Weeks)

Joint Ventures: Concept & Meaning of Joint Ventures, Need & Types of Joint Ventures, Structures & Problems faced in Joint Ventures, Joint Ventures and Strategic Alliance. Some relevant case study of successful and failed joined ventures.

References:

J. Fred Weston, Kwang S. Chung, Susan E. Hoag. "Mergers, restructuring and corporate control", Prentice Hall of India [Chapter: 14]

Unit II

(4 Weeks)

Mergers and Acquisitions: Introduction to mergers, types of mergers, theories of mergers & acquisitions; Cross-border mergers and acquisitions, issues and challenges in cross border M&A. Handling cross-culture and taxations issues in cross-border M&A. Analysis of Post-Merger Performance. Demerger, types of demerger, reverse merger, buyback of shares,

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leverage buy-out strategy, merger strategy - growth, synergy, operating synergy, financial synergy, diversification. Takeover and its types, takeover strategy, takeover bids, legal framework for mergers and acquisitions, leverages and buyouts.

References:

J. Fred Weston, Kwang S. Chung, Susan E. Hoag. "Mergers, restructuring and corporate control", Prentice Hall of India [Chapter: 1, 2, 3 16, 17, 18, 19 & 20]

Boeh, Kevin K and Beamish, Paul W. "Mergers and Acquisitions Text and Cases", Sage South Asia Edition [Chapter: 1 & 2]

Unit III

(4 Weeks)

Deal Valuation and Evaluation: Factors affecting valuation basics, methods of valuation, cash flow approaches, economic value added (EVA), sensitivity analysis, and valuation under takeover regulation, valuation for slump sale, cost-benefit analysis and swap ratio determination

References:

J. Fred Weston, Kwang S. Chung, Susan E. Hoag. "Mergers, restructuring and corporate control", Prentice Hall of India [Chapter: 6, 7, 12 & 13]

Boeh, Kevin K and Beamish, Paul W. "Mergers and Acquisitions Text and Cases", Sage South Asia Edition [Chapter: 3, 5 & 10]

Unit IV

(2 Weeks)

Post-Merger Evaluation: Financial Evaluation of Mergers & Acquisitions, Impact on shareholders' Wealth; Methods of payment and financing options in mergers & acquisitions, financing decision, Merger, Acquisition and Competition law 2002, SEBI (Securities & Exchange Board of India) Takeover Code 2011 and criteria for negotiating friendly takeover.

References:

J. Fred Weston, Kwang S. Chung, Susan E. Hoag. "Mergers, restructuring and corporate control", Prentice Hall of India [Chapter: 24 & 25]

Boeh, Kevin K and Beamish, Paul W. "Mergers and Acquisitions Text and Cases", Sage South Asia Edition [Chapter: 7 & 9]

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Text Books:

1. J. Fred Weston, Kwang S. Chung, Susan E. Hoag. “Mergers, restructuring and corporate control”, Prentice Hall of India
2. Boeh, Kevin K and Beamish, Paul W. “Mergers and Acquisitions Text and Cases”, Sage South Asia Edition

Additional Readings:

1. Weston, Fred; Chung, Kwang S. &Siu, Jon A.: Takeovers, Restructuring and Corporate Governance, (latest Ed.). Pearson Education
2. Sundarsanam (2006); Creating Value from Mergers and Acquisitions, (1st ed.) Pearson Education
3. Narayankar, Ravi, (2013): Merger and Acquisitions Corporate Restructuring, Strategy and Practices, (latest ed.). International Book House Pvt. Ltd.

Teaching Learning Process:

Class room lecture; Case study discussion; Numerical Problem solving; Class presentation on the assigned topic by students individually or in group; Workshop; Tutorials; Role play

Assessment Method:

1. Internal evaluation of 25% marks
 - a. Attendance 5% marks
 - b. Two internal evaluations by the teacher with 10% marks each out of which one must be a class test and other may be another test or home assignment or presentation. Faculty may take more than two assignments and (or) tests but total will be only 20% marks.
2. End term University Exam of 75% marks

Keywords:

Joint Ventures; Mergers and Acquisitions; Deal Valuation; Post-Merger Evaluation; Synergy; Takeover Code 2011