COURSE OBJECTIVE

This is an advanced finance course that seeks to provide students with an understanding of the processes and issues involved with business combinations, commonly referred to as “mergers and acquisitions”. This course will cover all aspects of the merger and acquisition process from valuation, negotiation, structuring and closing the deal, to merger integration.

When you have successfully finished this course, you will:

- Understand the economic purpose of mergers and acquisitions
- Value companies and synergies from a buyer and seller perspective
- Identify drivers of value creation and destruction
- Recognize critical deal points, components and structures
- Understand how deals are structured
- Be able to structure a deal to bridge a valuation gap or retain key personnel
- Understand the tools and challenges specific to special types of deals, such as leveraged buyouts or “mergers of equals”.
- Comprehend the integration aspects of M&A

REQUIRED MATERIALS

Cases and readings available in a course pack at the UW Bookstore under the Finance 558 course title.

- Note that additional course materials and course announcements are available on Canvas.
GRADING AND WRITTEN DELIVERABLES

Your grade will be based on the following deliverables and your daily class work. The deliverables will comprise 75% of our grade. The daily class work (i.e. participation) will comprise 25% of the grade. **For cases that are turned in, you should upload your write-up, in PDF format, to Canvas.** Please do not email me Excel or Word documents, because they are typically very time consuming to print out and decipher.

Daily class work grades will be based on three things: 1) your presence -- it's hard to contribute to class learning when you are not there, 2) my assessment of the extent to which you helped to make the class a productive learning experience, and 3) my assessment of the depth of your command of the material.

DAILY PREPARATION AND PARTICIPATION

Most of our class time will be devoted to discussion of assigned cases. To get the most out of class and high grade, you must prepare conscientiously and participate actively in class discussions. Failure to participate robs others of your perspective and increases the chances that the discussion will not be relevant to your interests and abilities. **Furthermore, participation is an important part (25%) of your grade. Those who fail to participate actively are effectively taking a zero for a substantial fraction of their course grade.** Those who participate actively and consistently by asking questions both of me and of other students, engaging in class debates and volunteering to present their solutions will receive high participation grades. Those who participate only sporadically and make only ‘off-hand’ or less substantial contributions will receive low participation grades. So please participate actively.

So what is conscientious case preparation? Read the case carefully; identify the principal issues to be addressed; attempt to analyze these issues using the appropriate tools or techniques; and note any action recommendations implied by your analysis. Alternatively, if you find yourself hitting a roadblock, try to articulate what your problem is. Often identifying roadblocks is as valuable as a complete analysis.

For each case assigned you will note below that I have posed one or more preparation questions. The questions play several roles depending on the case. Usually the questions are simply to help you get started on your analysis, and you should not feel constrained by them. Nor should you assume that answering all of the preparation questions necessarily constitutes a complete analysis. In other instances, I may give you additional information in the questions, or when the case is a mechanical one, I may ask you to perform specific calculations.

Do not be surprised if after conscientious preparation you still feel there are some loose ends in the case you are not certain about. If it were otherwise, there would be nothing for you to learn in class, and I would have been guilty of selecting a case that was too simple. Your test of whether you are learning the material, and progressing adequately, should be how you feel
after the class discussion, not before. You are doing fine if after a class discussion you believe you could adequately handle a similar situation in the future.

**If you are not prepared, please notify me before class so we can all avoid embarrassment.** If you have spent several hours on the case, but still feel unsure of your opinions, count yourself prepared. If you have made the effort, you should never feel embarrassed by the result.