

Course Syllabus

Course Name & Number	FIN 558: Mergers & Acquisitions
Quarter	Autumn 2022
Start & End Dates	09/18/2022 - 10/30/2022
Pre-requisites	FIN 505: Corporate Finance
Credits	2 credits
Delivery Format	blended
Course Website	https://canvas.uw.edu/courses/1580439/

Course Overview

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. We will also spend considerable time discussing the key concept of synergies, what they are, what they are not, and where they come from. Crucially, we will also spend considerable amount of time relating the terms of the deal (i.e., the financing) to the underlying business problems that the merging companies face.

Course Learning Objectives

This course will help students to

- Describe the economic sources of synergies in mergers and acquisitions
- Identify drivers of value creation (positive synergies) and destruction (negative synergies) in a target / bidders competitive environment
- Apply the WACC method to value companies/synergies
- Recognize and interpret critical deal points, components and structures in acquisitions and mergers
- Structure deal terms to align incentives of the parties and parcel out the synergies.

Faculty Information



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Faculty Bio

I grew up in Washington and received my undergraduate degree in accounting from Washington State University. Upon leaving WSU, I worked for Price Waterhouse for several years doing auditing and corporate turnaround consulting. I received my MBA from the Foster School and my PhD in finance from the Simon School at the University of Rochester. I have been at the Foster School for 13 years. My research interests include asset pricing, market microstructure, and behavioral finance. I teach Entrepreneurial Finance, Core Finance, and Mergers and Acquisitions primarily to MBAs and Executive MBAs.

Communication Expectations

UW Email, Canvas Announcements, and the Canvas Discussion Forums in this course are the official means of communication for this class.

Students are expected to read and act upon email in a timely fashion. Students should check their email regularly along with the Announcements section of this course.

All instructor correspondence will be sent to your @uw.edu email account. We will not regularly check the Canvas inbox -- direct email will be more effective.

Course Structure & Format

Course Time Commitment

This 2 credit course requires approximately 4-6 hours of work per module. Please expect to spend more time during those modules which include larger assignments.

Delivery Method

This course uses Canvas for the facilitation of communications between faculty and students, posting course materials and activities, submission of assignments, and posting of grades.

Canvas can be accessed at <https://canvas.uw.edu/>

Attendance & Participation

The knowledge and skills that you will gain in this course will highly depend upon your full engagement. This engagement includes your attendance and active participation, and it is crucial to both your and your classmates' learning experiences.

HMBA Policy

The following information is taken from the HMBA Program Policies, as published in the HMBA Program Information Course:

Students are expected and required to attend all Program Immersion class sessions and required events, and all Foster Live class sessions.

Excused absences or virtual attendance **must** be approved by the program director, and are limited to the following situations only

- Military service
- Major personal illness
- Immediate family illness or death
- Birth or adoption of a child
- Jury duty
- Documented work emergency

Unexcused absences (including unexcused virtual attendance), resulting in missing 1 or more class sessions during Immersion will result in failing and repeating the missed course(s). Missing 1 or more Foster Live sessions during a course will result in a grade deduction.

Class Participation

Class participation (synchronous or asynchronous) is extremely important. The class should be a common learning experience. Thus, we want you to take ownership and initiative for the success of the class.

It is critical that you arrive for each class fully prepared to lead the discussion if called upon. You should be able to demonstrate your understanding of the relevant issues and problems in the assigned readings and cases. Share your knowledge and help others understand your point of view.

Some of the criteria we will use to judge the effectiveness of your participation include:

- Are you willing to participate?
- Do your comments show evidence of appropriate, insightful analysis of the case?
- Are your comments relevant to the class discussion?
- Are you a good listener as well as speaker? Can you play off of the comments of others?
- Are you willing to test new ideas? Or are all of your comments “safe”?
- Do you work well with others during group projects?

Organization & Format

This course is organized into modules, which correspond (approximately) to weeks in the academic quarter. For details, activities, and exact dates, please see the Canvas site.

Module #	Topic	Dates
1	Introduction to Mergers & Acquisitions	9/18/2022 – 9/25/2022
2	Filmore Industries & Certified Aerospace	9/25/2022 – 10/02/2022
3	Merger of Equals: HP/Compaq	10/02/2022 – 10/09/2022
4	HP/Compaq, continued	10/09/2022 – 10/16/2022
5	Merger of Equals: AT&T and McCaw	10/16/2022 – 10/30/2022

Each module contains an overview, guiding questions, and an instructional guide that outlines all activities and sessions for that week. You will engage with a variety of learning experiences, and you can expect the following types of activities throughout the quarter:

Immersion

Immersion takes place face to face on the Seattle campus. This course will have one Immersion session on Thursday, September 22, 2022 from 9:00 AM – 12:30 PM Pacific Time (with 30 minutes of break time included).

To prepare for the classroom learning experience during the Immersion sessions, there will be several videos to watch. You should plan on completing this video work prior to our first session. Further details regarding times are available in the Course Calendar section, and a complete set of responsibilities is included on the Canvas Module 1 page.

For additional details, review the Immersion section of the Module 1 page within the Canvas course. Please also review the program's attendance and participation policy, referenced above.

Foster Live

Foster Live takes place in Module 4, over Zoom. This is scheduled for Tuesday, October 11, 2022 from 6:00 PM – 7:30 PM Pacific Time.

For additional details, review the Module 4 page within the Canvas course. Please also review the program's attendance and participation policy, referenced above.

Readings

We will have multiple opportunities for you to participate in discussions throughout the course. Class participation (synchronous or asynchronous) is extremely important. The class

Research has shown that people learn in different ways. Some students learn more from videos and discussions, while others prefer to read about the materials. There is no required textbook for this course. There will be several articles, and case studies available via Canvas. I intend the readings to supplement our other learning materials in order to provide students with another treatment of the material.

- "A note on mergers and acquisitions and valuation", 95B023, Ivey School of Business.
- "Creating value through M&A's", IMD651, IMD, Lausanne Switzerland.
- "A note on valuation in private equity settings", 9-297-050, Harvard Business School.

Case Studies

This course is centered around three case studies. Please note that each case within a given Canvas module will likely include topics that are relevant to that module along with those that preceded it. The cases include both a group and an individual assignment. The group work will be posted to a common discussion board so members of your team, as

well as other teams, can see, ask questions and comment upon your work and your team can see, ask questions and comment on theirs. The individual assignment will be to take the work your team has done and form your own conclusions about the desirability of the merger, the terms of the deal, etc. For the individual portion, each student will submit their work, written in their own words, to Canvas for grading.

- Filmore Aerospace and Certified Fabrication
- HP/Compaq, UV3981, Darden Business Publishing
- AT&T and McCaw, UVA-F-1142 Version 2.2, Darden Business Publishing

Video

Most modules will include several short video segments that cover important topics in the Module.

Discussions

Each module will include a Discussion Board for posting group work. Detailed discussion questions and Instructions for completing the (required) group work component are included within the Module pages. In addition, each student will be paired with a partner for each case. The partner assignments will be different for each of the three cases. Each pair of partners will be assigned two the Group Discussion questions provided with the case. Each partner group will then prepare an answer to their assigned discussion questions and post their solution to the discussion board. The purpose of the partner teams is to encourage discussion and collaboration on case analysis.

Assessment Overview & Grading Policies

Summary

Activity Type	#	Value	Total
Case Studies	5	100	500
Class Participation	5	50	250
Total			700 points

Submitting Assignments

Instructions for submitting case write-ups are included with the assignment descriptions within the Canvas course site. Due dates for all graded work are included in the Canvas Calendar, and in each Module page in the Canvas course.

Late or Missed Assignments

Notify the instructor BEFORE an assignment is due if an urgent situation arises and the assignment can't be submitted by the due date. Published assignment due dates (Pacific Time) are

firm. Please follow the appropriate University policies to request an accommodation for religious observances.

Grading Procedure

Grades reflect your performance on assignments and adherence to deadlines. The grading turnaround time will be one week. Grades will be posted in the gradebook section on the Canvas course site.

Rubrics

Most of the graded work in this course includes a grading rubric, which should help you understand the requirements of the assignment, and give you detailed feedback about your grade / performance. Rubrics will be included within the assignment description.

Incompletes

An Incomplete may be given only when the student has been in attendance and has done satisfactory work to within two weeks of the end of the quarter and has furnished proof satisfactory to the instructor that the work cannot be completed because of illness or other circumstances beyond the student's control.

For more information about the Incomplete Policy, please visit the Hybrid MBA Program Information Course.

Grade Appeals

For more information about the Grade Appeals Policy, please visit the Hybrid MBA Program Information Course.

Course Policies

Academic Integrity and Student Conduct

This program employs the principles and procedures espoused by the [University of Washington Community Standards and Student Conduct guidelines](#) to maintain academic integrity in the course. The Code establishes the expectation that students will practice high standards of professional honesty and integrity. In particular, implementation of the Code at the Foster School of Business prohibits cheating, attempted cheating, and plagiarism—including improper citations of source material—as it pertains to academic work. Suspected violations will be handled in compliance with the [University of Washington Student Conduct Code](#) as outlined in [Washington Administrative Code 478-121](#).

For more information on academic integrity, including the policy and appeal procedures, please visit the Hybrid MBA Program Information Course.

Copyright

The course content is for class purposes only and are to be used only by the student enrolled in the course. All rights reserved. No part of this course may be reproduced, distributed, or transmitted in any form or by any means, including photography, video recordings, screen shots, or other electronic or digital methods, without the prior written permission of the instructor.

COVID-19

Attendance

According to the HMBA program attendance policy: Students are expected to attend class and to participate in all graded activities. However, if you suspect that you are ill, or that you may have been exposed to COVID-19 or other serious illness, you are encouraged to remain home. Please reach out to your program director and faculty member, as soon as possible, if you expect to be absent.

To protect student privacy and the integrity of the academic experience, students will **not** be required to provide a medical excuse “doctor’s” note to justify an absence from class due to illness. A student absent from any graded class activity or examination due to illness must request, in writing, to take a rescheduled examination or perform work judged by the instructor to be the equivalent. For some activities, you may be able to participate remotely, or watch a recording later. However, not all class sessions may be available for remote participation.

Face Coverings

The health and safety of the University of Washington community are the institution’s priorities. Please review and adhere to the [UW COVID Face Covering Policy \[pdf\]](#).

Access and Accommodations

Your experience in this class is important. If you have already established accommodations with Disability Resources for Students (DRS), please communicate your approved accommodations to me at your earliest convenience so we can discuss your needs in this course.

DRS offers resources and coordinates reasonable accommodations for students with disabilities and/or temporary health conditions. Reasonable accommodations are established through an interactive process between you, your instructor(s), and DRS. It is the policy and practice of the University of Washington to create inclusive and accessible learning environments consistent with federal and state law.

If you have not yet established services through DRS, but have a temporary health condition or permanent disability that requires accommodations (conditions include but not limited to; mental

health, attention-related, learning, vision, hearing, physical or health impacts), you are welcome to contact DRS at:

Website: <http://depts.washington.edu/uwdrs/>

Guide: [Getting Started / Accessing Resources](#)

Email: uwdrs@uw.edu

Phone: 206-543-8924

Fax: 206-616-8379

Course Evaluations

Course evaluations are done toward the end of the quarter during a predetermined time period. Students will have 24-48 hours to complete their course evaluation, which is delivered digitally from the UW Office of Educational Assessment.

All evaluations are anonymous and are used to make improvements to the course and are included in a faculty member's annual review. It is important to complete the evaluations and provide your honest assessment both in the quantitative and qualitative measures.

Student Grievance Procedure

For more information about the Student Grievance Policy, please visit the Hybrid MBA Program Information Course.

Non-Discrimination Policy

For more information about the Non-Discrimination Policy, please visit the Hybrid MBA Program Information Course.

Religious Accommodation Policy

Washington state law requires that UW develop a policy for accommodation of student absences or significant hardship due to reasons of faith or conscience, or for organized religious activities. The UW's policy, including more information about how to request an accommodation, is available at [Religious Accommodations Policy](#). Accommodations must be requested within the first two weeks of this course using the [Religious Accommodations Request form](#).

FERPA

For more information about the University's FERPA policy, please visit the Hybrid MBA Program Information Course.

Safety

Call SafeCampus at 206-685-7233 anytime – no matter where you work or study – to anonymously discuss safety and well-being concerns for yourself or others. SafeCampus’s team of caring professionals will provide individualized support, while discussing short- and long-term solutions and connecting you with additional resources when requested.

Program Withdrawal

Students cannot withdraw from this class without withdrawing or going-on-leave from the Hybrid MBA Program. The Hybrid MBA Program is a lockstep, cohort-based model and all courses must be completed in the order in which they are offered.

For more information about Program Withdrawal, please visit the relevant section of the Hybrid MBA Program Information Course.

Technical Support

Technology Requirements

This course requires Internet access and the following:

- A web browser (use only [Google Chrome](#) or [Mozilla Firefox](#))
- [Adobe Acrobat Reader \(free\)](#)
- Webcam, microphone, and speaker
- [Zoom software](#) (for video conference)
- [Microsoft Office 365 ProPlus](#) (free for students & staff)

Network Use Policies

Please read the University of Washington’s [Student Use of UW Computing Resources Policy](#).

Technical Support

Please email hmbahelp@uw.edu if you have issues with playback or downloading of any media, Canvas issues, or Zoom-based questions.

Please provide us with your operating system and browser, in addition to a screenshot of any error message that might help us troubleshoot.

Network Outages

To monitor the status of campus networks and services, visit the [ItConnect eOutages page](#)

Canvas Support

IT Connect: [Canvas Help for Students](#)

Instructure: [Canvas Student Guides](#)

Syllabus Purpose and Disclaimer

This syllabus serves as a guideline for what to expect in this class and an implicit agreement between the instructor and the student.

Before contacting the instructional staff, please review these documents first to see if your question is addressed.

Every effort will be made to avoid changing the course schedule, but adjustments may be necessary to accommodate errors, omissions, or unforeseen events (such as weather events).

In the event changes are made to the syllabus, students will be informed during class, on the course website, and via email. It is your responsibility to be aware of these changes, so please check your email and the course site often.