

Mergers and Acquisitions: The international context

Paris, 11/12/13/15 July 2011
16 contact hours / 2 ECTS credits

Corporations use Mergers and Acquisitions (M&A) as a mean to achieve or maintain their competitive advantages. M&A can be seen as external ways of growth which can be influenced by the rate of economic recovery after the last financial crisis. One major result is the change in the volume and the frequency of M&A deals. So this course aims to present M&A in an international context. Theories governing the understanding of these important corporate events are presented and examined from an empirical perspective. International M&A operations will be checked and focus on the outcome and the market reaction after the announcement of M&A events is studied. Success of an M&A is related to bidder, target and deal characteristics. Finally, corporate governance issues and the effects of different practices on performance will be discussed during the course. This course is so dynamic and the flow of M&A operations is increasing that interaction between professor and students will be needed.

Course Schedule

Monday, 11 July (9:30 – 11:00, 11:30 – 13:00)

International takeovers and restructuring, merger waves, and takeover contests. Finance: Investment choice, NPV

Tuesday, 12 July (9:30 – 11:00, 11:30 – 13:00)

Theories of mergers, implications, and empirical evidence. Finance : Efficient Capital Markets, information asymmetry and agency theory; Econometrics: Introduction to multiple regression

Thursday, 13 July (9:30 – 11:00, 11:30 – 13:00)

Corporate governance and corporate control around the World. Econometrics: Hypothesis testing

Friday, 15 July (9:30 – 11:00, 11:30 – 13:00)

Bidding strategies, free riders problem, auctions, and the method of payment choice

Learning Objectifs

- Students will gain an understanding of the whole economic process of M&As.
- Students will develop their capacity to understand the negotiation process of M&As.
- Students will continue to expand their experience by examining recent international M&A deals that will develop their capacity to globally evaluate these corporate decisions.

Course Design and Assessment

The course is organised on the basis of four teaching session of 3 hours each. A half an hour break will be given in the middle of each session.

Students will work in a group of 2 on an M&A deal of their own choice. A final report covering the M&A process (negotiation, regulating authority intervention, Taxes, method of payment, financing means, multiple bidders, auction process, the global economy effect, the industry effect, etc...) should be handed and evaluated.

Reading List

The course is based upon the following textbooks:

“Takeovers, Restructuring, and Corporate Governance”, by Weston, Mitchell, and Mulherin (4th edition, Pearson, Prentice Hall)

“Corporate Finance”, by Brealey, Myers, and Allen (8th edition, McGraw Hill)

Students would also benefit from tracking M&A deals through the following financial newspapers (access via [Factiva](#)):

The Financial Times

The Wall Street Journal