



University of
Strathclyde
Business
School

Department of Accounting and Finance

AG431 Corporate Investment: Theory and Practice

2024/25 Semester 1
20 Module Credits

Module Details

Module Description

The module focuses on mergers and acquisitions.

Teaching Hours

Lectures: MONDAYS 1-4PM in TG223, except in teaching week 2 the lecture will run on WEDNESDAY 12-3PM in SW105.

There is also a study break week on teaching week 6. That means there will not be a lecture on Monday 28th October.

Prerequisites

AG215 and AG217.

Contact Details

Lecturer: Professor Charalampos Stasinakis

E-mail: charalampos.stasinakis@strath.ac.uk

Module Learning

Module Aims

This module is dedicated to the valuation, structuring, financing and negotiating of M&A transactions. It provides the students with a background for understanding mergers and acquisitions and corporate restructuring and addresses crucial questions including: What can we learn from theories on M&A? What is the empirical evidence? How does one value

companies acquiring, or being acquired? How can a merger be funded in such a way as to retain the merged entity's flexibility? When do leveraged buy-outs make sense, and how can they be financed?

Learning Objectives and Outcomes

Subject-specific knowledge and skills

On completing this module you will have the ability to read and properly interpret the theories and evidence relating to mergers and acquisitions, involving the analysis, synthesis and evaluation of a variety of complex ideas. More specifically you will be able to understand and explain:

- A1 Theories and evidence relating to corporate takeovers [market for corporate control], and how they might be interpreted.
- A2 Theories and evidence relating to corporate diversification.
- A3 Agency explanations of corporate investment decisions.
- A4 The interaction of financing and acquisition decisions.
- A6 Latest developments in the literature.

Cognitive abilities and non-subject specific skills

- B1 The ability to extract arguments, and modes of reasoning and evidence from theoretical and empirical academic articles, and to establish their contribution to our understanding and interpretation of key issues.
- B2 The ability to consider the relevance of academic articles to real world observations relating to both individual and institutional behaviour.
- B3 The ability to communicate the essence of academic articles to peer groups.
- B4 The ability to explain and discuss complex issues in a form and language that will extend communication beyond the peer group.

Module Structure

Timetable

Session 1

Takeover Process

Readings: Chapter 1

Session 2

Theories of Mergers

Readings: Chapter 5

Session 3

Timing of Merger Activity

Readings: Chapter 7

Session 4

Empirical Tests
Readings: Chapter 8

Session 5
Alternative Approaches to Valuation
Readings: Chapter 9

Session 6 and 7
Increasing the Value of the Organization and Synergy Valuation
Readings: Chapter 10 and Acquisition Valuation notes

Session 8
Going Private and Leveraged Buyouts
Readings: Chapter 16

Session 9
Cross Border Mergers
Readings: Case Studies on Myplace

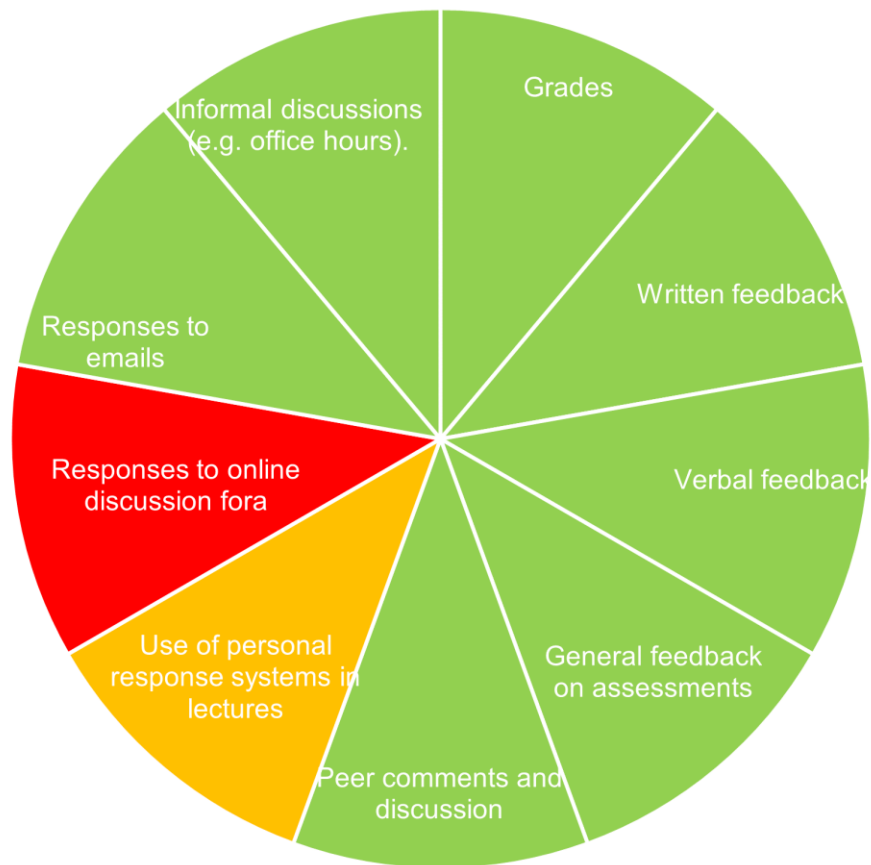
Assessment and Feedback Details

1. Group Assignment (Groups of minimum 4, maximum 5) 30%.
Group sign-up deadline: Monday 30th September, midday
Assignment deadline: Monday 11th November 2024, midday. Feedback/Marks will be released on or before Monday 2nd of December 2024.
2. Final exam worth 70%. Date: During semester 1 exam diet.

An overall weighted average mark of 40% is required to pass the module.

It is a requirement for course completion to submit all assessed coursework. Non-submission of any part will result in an overall mark of zero being awarded for the module.

The following forms of feedback will assist you in this module:



Artificial Intelligence

You are not permitted to use Gen-AI tools for this module unless you are a student with an adjustment report on Pegasus where this is explicitly specified as a 'reasonable adjustment'. Any student suspected of using such tools will be subject to investigation outlined in the [Student Discipline Procedure - Academic Misconduct.pdf \(strath.ac.uk\)](#) process.

Reading List

Creating Value from Mergers and Acquisitions: The Challenges by Sudi Sudarsanam

Mergers & Acquisitions from A to Z: Strategic and Practical Guidance for Buyers and Sellers by Andrew J. Sherman

UG Module Manual (Honours)

Please refer to the accounting and finance UG manual module for the following ([Honours Module Manual.docx](#)):

- Tutorial Attendance
- Useful Contacts
- Penalties for Late Submission
- Feedback
- Compensation Scheme
- Resit Policy – no resits in honours year

- [Universal Marking Guide](#)
- [Useful Links](#)