

Department of Accounting and Finance

AG431: Corporate Investment

2025/26 Semester 2

20 Module Credits

Module Details

Module Description

The module focuses on mergers and acquisitions.

Teaching Hours

Lectures: All weeks, Thursdays 10am-1pm in CW602.

Prerequisites

AG215/AG217 and honours entry requirements.

Contact Details

Lecturer: Dr Devraj Basu

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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 class 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
- Session 10
 - Revision Lecture

Assessment and Feedback Details

1. Essay worth 30%. Due Wednesday 4th March 2026, 12pm. Marks/Feedback will be released on or before Wednesday 25th March 2026, 12pm.
2. Final Exam worth 70% during semester 2 exam diet.

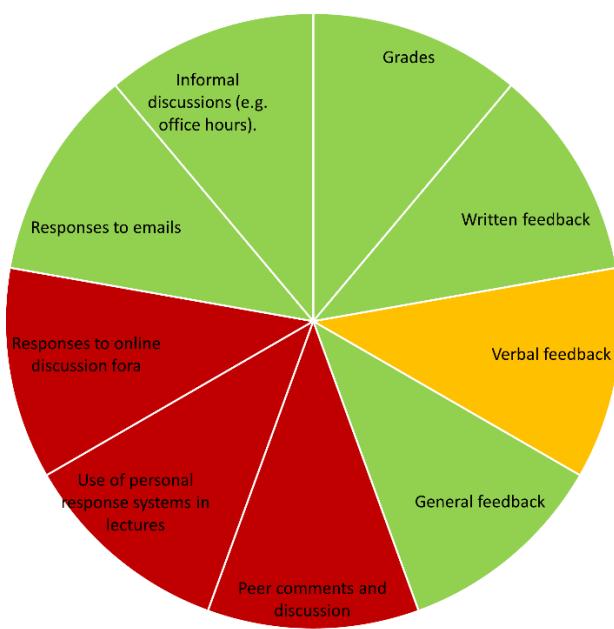
An overall weighted average mark of 40% is required to pass the module.

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:

<i>Feedback category</i>	<i>Details for module</i>	<i>Colour</i>
Grades		Green
Written feedback		Green
Verbal feedback		Amber
General feedback		Green
Peer comments and discussion		Red

Use of personal response systems in lecture		Red
Responses to online discussion forum		Red
Responses to email		Green
Informal discussions		Green



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

Please refer to the AG431 Myplace page to access the reading list.

- Course textbook:
- Takeovers, Restructuring and Corporate Governance, 4th Edition, 2004, By J.Fred Weston, Mark L. Mitchell and J. Harold Mulherin, Pearson/Prentice Hall

Additional resources:

- VALUATION The Art and Science of Corporate Investment Decisions, 2007, By Sheridan Titman and John D. Martin, Pearson/ Addison Wesley
- Creating Value from Mergers and Acquisitions The challenges, 2003, By Sudi Sudarsanam, FT Prentice Hall
- Valuation: Measuring and Managing the Value of Companies, 4th Revised edition 2005, By McKinsey & Company, Tim Koller, Marc Goedhart and David Wessels, John Wiley & Sons Inc.

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