Rutgers School of Business-Camden FIN 410 – M&A Finance Spring 2018

Instructor: David Pedersen Class: Mon 6:00-8:50pm, BSB 106

E-mail: david.pedersen@rutgers.edu Office hours: BSB 219, Mon 5:00-6:00pm and by appt

I. Overview of the Course:

This courses provides an overview of mergers and acquisitions (M&A) and introduces the primary valuation methodologies currently used on Wall Street to value deals. Real world data from Bloomberg is integrated into lessons. Qualitative dimensions, such as deal structure, form of financing, and acquisition strategies, are incorporated into the merger analysis.

II. Required Materials:

- <u>TEXT</u>. Rosenbaum and Pearl (RP), *Investment Banking: Valuation, Leveraged Buyouts, and Mergers & Acquisitions*, 2nd edition <u>UNIVERSITY EDITION</u>, 2013
- <u>BLOOMBERG</u>. The Financial Markets Lab hosts Bloomberg terminals that provide access to data used in the course. Each student must have a Bloomberg account. See Lab website for hours and training sessions: http://fmlab.rutgers.edu/
- <u>SAKAI</u>. The course site will contain announcements and course materials, such as handouts, course slides, and model templates. You should bring lecture notes to class.
- <u>RUTGERS E-MAIL.</u> All correspondence will be sent to your Rutgers e-mail address. Failure to read your e-mail is not an acceptable excuse.

III. Course Prerequisites:

In order to enroll in Fin 410, students should have taken the following course:

Corporate Finance (390-310)

NOTE: If you do not meet these pre-requisites please notify me immediately.

IV. Performance Assessment:

The grade for this course will be determined as follows.

<u>Assessment</u>	<u>Percentage</u>
Class Participation	15%
Reaction Papers	15%
Assignments	35%
Midterm Exam	15%
Final Exam	<u>20%</u>
Total	<u>100%</u>

- The **final exam** will be during finals week. All students must take the final in class on the assigned date. No exceptions.
- Details on the **midterm exam** to follow. There is **no make-up exam**. If you are unable to make the midterm, you must notify me **in advance** and provide documentation demonstrating why you will miss it. **Failure to provide advance notice will result in a zero.** If you are excused from the midterm, the weight of the midterm will shift to the final exam.
- **Assignments** will give students an opportunity to apply material discussed in class. All students are required to work in **groups** to complete the assignments.
- Each week, we will discuss the major M&A stories in the news. Reading the *Wall Street Journal* and other financial publications daily is the best way to stay plugged into the flow of information. Each student is required to select a news story, read at least two articles about it, write a one-page reaction paper, and upload it to Sakai by the due date. The reaction paper should include links/cites to your sources, a short summary of the issue, a comment on what you found interesting about the story, and a discussion of how it relates to the material we covered in class. In class, I will randomly select students to discuss their news stories.
- Class participation is based on preparation for lecture, involvement in our discussions, productive use of lab time, and contribution to group assignments. Students are expected to read the assigned material before lecture, as there will be subject-matter questions posed each class.

V. Final Grade:

Grades will be assigned according to the following distribution:

90-100%	.A
85-89%	.B+
80-84%	.B
75-79%	.C+
70-74%	.C
60-69%	.D
Less than 60%	.F

VI. Academic Integrity:

Policy found at http://academicintegrity.rutgers.edu/academic-integrity-at-rutgers.

Students are responsible for understanding the principles of academic integrity and abiding by them in all aspects of their work at the University. Students are also encouraged to help educate fellow students about academic integrity and to bring all alleged violations of academic integrity they encounter to the attention of the appropriate authorities.

Academic Integrity means that you (the student) must:

- properly acknowledge and cite all use of the ideas, results, or words of others,
- properly acknowledge all contributors to a given piece of work,
- make sure that all work submitted as your own in a course activity is your own and not from someone else
- obtain all data or results by ethical means and report them accurately
- treat all other students fairly with no encouragement of academic dishonesty

Adherence to these principles is necessary in order to ensure that:

- everyone is given proper credit for his or her ideas, words, results, and other scholarly accomplishments
- all student work is fairly evaluated and no student has an inappropriate advantage over others
- the academic and ethical development of all students is fostered
- the reputation of the University for integrity is maintained and enhanced.

Failure to uphold these principles of academic integrity threatens both the reputation of the University and the value of the degrees awarded to its students. Every member of the University community therefore bears a responsibility for ensuring that the highest standards of academic integrity are upheld. Violations are taken seriously and will be handled according to University policy.

If there are questions on how to comply, please contact Mary Flaherty in the Rutgers-Camden Dean of Students office: marykreb@camden.rutgers.edu or contact the appropriate Associate Dean or Area Head at the School of Business.

VII. Student Code of Conduct:

Policy found at http://studentconduct.rutgers.edu/university-code-of-student-conduct

Violations of the Student Code of Conduct are considered serious infractions of student behavior and students who violate the code are subject to penalties relative to the level of the matter. In general, students may not disturb normal classroom procedures by distracting or disruptive behavior. Examples of disruptive behavior include, but are not limited to, the following:

- Repeatedly leaving and entering the classroom without authorization
- Answering cellular phone or allowing pager to beep
- Making loud or distracting noises
- Repeatedly speaking without being recognized, interrupting the instructor or other students, or otherwise acting in disregard of the instructor's requests
- Threats or violence

Violations of the code should be reported to the Dean of Students office deanofstudents@camden.rutgers.edu or 856-225-6050.

If the violation is immediate and a potential threat is a concern, call the Rutgers-Camden police at 856-225-6111

VIII. Students with Disabilities:

Rutgers University welcomes students with disabilities into all of the University's educational programs. In order to receive consideration for reasonable accommodations, a student with a disability must contact the appropriate disability services office at the campus where you are officially enrolled, participate in an intake interview, and provide documentation:

https://ods.rutgers.edu/students/documentation-guidelines.

If the documentation supports your request for reasonable accommodations, your campus's disability services office will provide you with a Letter of Accommodations. Please share this letter with your instructors and discuss the accommodations with them as early in your courses as possible. To begin this process, please complete the Registration form on the Office of Disability Services web site at:

https://ods.rutgers.edu/students/registration-form.

Ajeenah Nuriddin-Little (856) 225-2722 Rutgers-Camden Disability Services: Rutgers-Camden Learning Center Armitage Hall, Room 240 311 North Fifth Street, Camden, NJ 08102-1405

Web page: https://learn.camden.rutgers.edu/disability-services

E-mail: Ajeenah.nuriddin-little@camden.rutgers.edu

IX. Tentative Schedule (Subject to Change):

Week(s)	Date	Торіс	Readings
1	01/22	Course Introduction	RWJ Ch. 29
2	01/29	Empirical Evidence and Event Studies	Handout
3	02/05	Government Regulation	Handout
4	02/12	Story of the Company I: Business Profile	Handout
5	02/19	Story of the Company II: Corporate Governance	Handout
6	02/26	NO CLASS	
7	03/05	Midterm Exam	
	03/12	SPRING BREAK	
8-9	03/19 03/26	Relative Valuation: Comparable Companies	RP Ch. 1
10	04/02	Comparable Companies (cont.) Comp Companies Assignment Team Meetings	
11-12	04/09 04/16	Discounted Cash Flow Analysis	RP Ch. 3
13	04/23	Discounted Cash Flow Analysis (cont.) DCF Assignment Team Meetings	
14	04/30	Selected Topics from: Relative Valuation: Comparable Deals Merger Consequences Analysis	RP Ch. 2 RP Ch. 7
Final Exam	05/07 6:00-8:50PM	Final Exam	