

FINC 5670 } FINC 6670 } Mergers, Acquisitions, and Restructuring FINC 6676 } Spring 2020

Professor:	Dr. Keven Yost	Tuesdays and Thursdays
Office:	319 Lowder Business Building	11:00 AM – 12:15 PM
Phone:	(334) 844-5303	Horton-Hardrave 2017
E-mail:	yostkev@auburn.edu	
Office Hours:	Tuesdays: 8:00 - 9:00 AM, Thursdays: 8:00 - 9:00 AM, or by appointment.	
Class Web Site:	http://aub.ie/5670 or http://aub.ie/6670 or http://aub.ie/6676	
	<i>(These links are also posted in Canvas.)</i>	

Course Description

This course builds on and integrates material learned in FINC 3630 and BUSI 7110/7116. The objective is to provide a strategic analysis of corporate restructuring decisions. Topics include the causes and consequences of M&A activity, the process of buy-side and sell-side mergers and acquisitions, and multiple valuation methods. This is a 3 credit hour course and students may not receive credit for both FINC 6670 and FINC 6676.

Prerequisites

Students are required to have successfully completed FINC 3630 (Advanced Business Finance) or BUSI 7110 or BUSI 7116 (Financial Analysis). Failure to meet any of these requirements may result in automatic withdrawal from the course.

Accessibility

If you request special accommodations due to a disability, please see me as soon as possible (and at least two weeks before the first exam). However, you should first contact the Office of Accessibility in Haley Center.

Course Materials

The following is required:

- Investment Banking (2nd edition, University Edition) by Joshua Rosenbaum and Joshua Pearl, published by Wiley. The workbook is optional, but NOT required for this course. No textbook codes or other supplements are necessary.

- The purchase of several cases, which should cost approximately \$15. Details are provided on the course web page.

In addition to the textbook:

- There is a course web site with announcements, class notes, information on exams, and solutions to selected problems. The web site will have an up-to-date course outline with abbreviated lecture notes (for which you will need Adobe Acrobat Reader to print). **YOU ARE EXPECTED TO BRING A PRINTOUT OF THE NOTES WITH YOU TO CLASS.** However, the lecture notes that are provided are NOT complete. They are not a substitute for attending class, but are simply to allow you to pay more attention to understanding the material and less time writing formulas, definitions, problems, etc. Announcements will also be posted on the web site, so you are expected to check it regularly. If you have trouble with the web site, let me know right away. A course packet with all the notes is highly recommended, but optional, and available at the Haley Center bookstore (only at this location) and on the course web page. However, it is still necessary to check the web site for announcements and scheduling.
- You are expected to have access to the Wall Street Journal. The Wall Street Journal is one of the most widely used sources of financial information among financial managers, investors, and other business people. Therefore, a subscription to the WSJ is vital to relate and apply the knowledge you will acquire in class to real world financial practice. A subscription to the Wall Street Journal is highly recommended.
- **PLEASE MAKE SURE ALL CELL PHONES ARE TURNED OFF BEFORE EACH LECTURE AND EXAM!!!**

Student Responsibilities

- Final grades are final. If I need to earn a certain grade, the time to work for that or talk to Dr. Yost about that is before (preferably long before) the final exam.
- You are expected to act professionally in your interactions and communications with the professor and fellow students. You are expected to be in class or stay current in watching the lectures. Be sure to practice good time management and devote appropriate time and effort to this course.
- For distance students, exams should be taken by the date indicated once the exams are distributed to your proctor. Should you encounter difficulty that precludes taking the exam by the deadline, you must contact me prior to that deadline and discuss possible arrangements.

Grading

Grades will be based on the following:

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Cases/Assignments:	25%
Exam #1 (February 6):	25%
Exam #2 (March 5):	25%
Exam #3 (April 16):	<u>25%</u>
≤ 6:00 – 8:30 PM	100%

FINC 6670/6676

Project/Presentation:	10%
Cases/Assignments:	15%
Exam #1 (February 6):	25%
Exam #2 (March 5):	25%
Exam #3 (April 16):	<u>25%</u>
≤ 6:00 – 8:30 PM	100%

Online Students

Exam #1: Friday, Feb. 7 through Monday, Feb. 10
Exam #2: Friday, Mar. 6 through Monday, Mar. 9
Exam #3: Friday, April 17 through Monday, Apr. 20

Grades will be assigned according to the following scale:

A	≥ 90%
B	≥ 80% but < 90%
C	≥ 70 but < 80%
D	≥ 60 but < 70%
F	< 60%

The exam dates and times are listed above. In-class students are expected to take the exams on those dates and at those times. Distance students are expected to take the exams as indicated once the exams are distributed to your proctors. Should you encounter difficulty that precludes taking the exam by the deadline, you must contact me prior to that deadline and discuss possible arrangements.

If you miss an exam due to illness, you should contact me AS SOON AS you know you will miss the exam and are able to do so. Documentation will need to be provided and must state that you are unable to attend work/school on the day of the exam. Whether you contact me or not, the make-up will be the next business day at 7:30 AM. If you are still ill and HAVE DOCUMENTATION stating that you are unable to attend work/school on the day of the make-up, the next make-up will be the following business day at 7:30 AM. You must have a medical excuse for the date of the exam and the date of every make-up you miss. **The make-up exam may not be the same format as that given during the regular exam time.**

Students are expected to attend every class, on time, and prepared. I reserve the right to curve grades upward and offer extra credit. Curves and extra credit may be, at least in part, based on class attendance. All exams are closed-book. They are to be completed individually. This means no talking, sharing calculators or pens/pencils, etc., and no wandering eyes. If you need help, see Dr. Yost. You have been warned – do not cheat! The Academic Honesty Code is found in the Student Policy eHandbook.

The material is difficult for some, and the course builds on itself. Although the two midterm exams are not explicitly cumulative, material in the first part of the course will be essential for the latter parts of the course. The final exam will be cumulative. Therefore, you are highly advised to keep up with the material. Waiting until the week before the exam may prove very painful. If you are having trouble, get help early!

Justification for Graduate Credit (FINC 6670/6676)

The evaluation and expectations for graduate students taking this course differ from those of undergraduates taking this course. The details of evaluation and grading are provided in the Grading section. In order to provide an opportunity to gain understanding and insight at an advanced level, graduate students are assigned a significant research project in which the principal objective is to present an in-depth merger analysis. In this project, graduate students will be required to demonstrate their ability to analyze and synthesize information regarding the valuation and strategy consequences to the firm. The culmination of this research/case is a professional report and presentation that will demonstrate an advanced level of thinking and understanding of the course.

Academic Honesty

Unless clearly instructed otherwise, all assignments, quizzes, and exams are closed-book. They are to be completed individually. This means no talking, sharing calculators or pens/pencils, etc., and no wandering eyes. If help is needed, see Dr. Yost. You have been warned – do not cheat! All portions of the Auburn University student academic honesty code (Title XII) found in the Student Policy eHandbook will apply to university courses. All academic honesty violations or alleged violations of the SGA Code of Laws will be reported to the Office of the Provost, which will then refer the case to the Academic Honesty Committee.

Course Outline

We will be covering a significant amount of material during the semester. Keep up with it! This tentative course outline is subject to change. See the course web site for an up-to-date and detailed outline.

Topic	Chapter
Sell-Side M&A	6
Buy-Side M&A	7
Comparable Companies Analysis	1
Precedent Transactions Analysis	2
Discounted Cash Flows Analysis	3
Leveraged Buyouts	4
LBO Analysis	5