Seton Hall University

STILLMAN SCHOOL OF BUSINESS

FALL 2024

Instructor:	Christakis (Chris) Droussiotis
Office hours:	**In-Person**: Thursday 4:00-5:30pm JH Room 691 **Virtual:** Tue-Thu 9:00am-5:00pm – make online appointment: https://calendly.com/professordrou/30min
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Biography	Chris Droussiotis | Columbia University School of Professional Studies

Courses: **BFIN 4241 - Mergers and Acquisitions**
                      Tue/Thu 9:30-10.45am

Course Description:

The course is designed to introduce the world of Mergers & Acquisitions and Leveraged Buyout (LBO) which includes the parties involved, the process of raising capital for M&A and buyouts. The course will cover all the valuation methods used for assessing proposed business acquisition targets – both publicly traded and private companies. The class will cover the broader context - institutional, legal, and regulatory—of M&A valuation and due diligence work. These topics will be developed in lectures and readings, case studies, and modelling exercises using Excel templates.

By the end of the course, you should:
1. Have detailed knowledge of a fairly large number of M&A and Leveraged Buyout case studies.
2. Be proficient in valuation and accounting terminology and concepts related to M&A transactions.
3. Know how to develop financial projections and prepare valuations for (a) stand-alone enterprise value and (b) business combinations with synergies.
4. Recognize areas of moral hazard for decisionmaker in M&A.

Required Text:

Mergers & Acquisitions, and Other Restructuring Activities, Donald DePamphilis, 10th Edition (Academic Process), ISBN-13: 978-0-12-815075-7, Bookstore

Optional Books and other Material:

"An Analytical Approach to Investments, Finance and Credit" First Edition, Chris Droussiotis, Cognella Academic Publishing ISBN-13: 978-1-935551-66-9

Materials/Handouts to be provided by the Instructor (can be found on www.ProfessorDrou.com under Seton Hall – Mergers & Acquisitions page including Lecture Notes, Spreadsheets, Homework Assignments, Reading Assignments and Links.

Excel Models

Excel templates for use with weekly exercises will be available on www.professordrou.com . Important sources of financial information in use throughout the course are edgar.gov, Bloomberg or finance.yahoo.com.

Each student should create a free personal account to access the Bloomberg Information Service, which is available on most of the computers in Jubilee Room 559 ("Trading Room") and on one computer in the Walsh Library Information Center (near the Reference Desk).

Course Requirements:

Attendance (10%):
Students are expected to attend online or on-campus classes and to participate in classroom discussions. It is important to attend every class because the Exams are based on the instructor's lectures and classroom notes. Class participation will count as part of the course grade. Attendance accounts for 10% of your grade.

Group Project (15%):
The class will be divided into groups of 4-6 students. Each Group will be presenting during class (10-12 minutes) their progress towards the final project. In the final day of classes each class will have 12-15 minutes to present their final project on TEAMS live in class. The PowerPoint presentation should include:
- Executive Summary (Investment Considerations)
- Summary Business Description of Acquirer and Target companies
- SWOT Analysis of Acquirer, Target, and Combined companies (if any)
- Summary Financial Performance and bullet point explanation of Target Company
- Summary Projections and bullet point explanation (including cost savings) of Target Company
- Summary Valuations (Methods #1, #4, #5 (if you can find anything) and #6 (DCF) – Standalone
- Accretion/Dilution Analysis of combined companies (PE Group no need to include this)

Please upload all the work on the Professor's Dropbox
https://www.dropbox.com/request/5xq0GxI0ZG2LWyUUYp9e

Individual Project (15%):
Each student will be assigned a publicly traded that can be valued and hypothetically ready to be purchased via Leveraged Buyout method or merger of two companies in the same industry – The analysis will focus whether both buyer and seller achieve their expectations – basically meeting the premium that the seller is expected to receive and meeting the minimum required return to the buyer after applying synergies and cost cutting.

Exams (60%):
There will be a midterm and a final exam.

Midterm Studies (30%):
Final Exam Studies (30%).

Grading:	
Mid Term Exam *	30%
Final Exam*	30%
Homework	15%
Project	15%
Attendance	10%
Total	100%

*CD Factor:
This is to give the benefit for students of significant improvement between Mid-Term Exam and Final. The Weighted averages are as follows (based on pre midterm curve score):

Improvement	Mid-Term Weighting	Final Exam Weighting
35% and higher	10%	50%
30-34%	15%	45%
25%-29%	20%	40%
20%-24%	25%	35%
19% or lower (including negative)	30%	30%

Academic Integrity

Cheating and plagiarism are serious offenses. The following definitions are based on the College's Academic Honesty website: Cheating is the attempted or unauthorized use of materials, information, notes, study aids, devices, or communication during an academic exercise. Examples include but are not limited to:

- Copying from another student during an examination or allowing another to copy your work
- Unauthorized collaborating on a take home assignment or examination
- Using unauthorized notes during a closed book examination
- Using unauthorized electronic devices during an examination
- Taking an examination for another student
- Asking or allowing another student to take an examination for you
- Changing a corrected exam and returning it for more credit
- Submitting substantial portions of the same paper to two classes without consulting the second instructor
- Preparing answers or writing notes in a blue book (exam booklet) before an examination
- Allowing others to research and write assigned papers including the use of commercial term paper services
- Plagiarism is the act of presenting another person's ideas, research or writing as your own, such as:
  - Copying another person's actual words without the use of quotation marks and footnotes (a functional limit is four or more words taken from the work of another)
  - Presenting another person's ideas or theories in your own words without acknowledging them

- o Using information that is not considered common knowledge without acknowledging the source
- o Failure to acknowledge collaborators on homework and laboratory assignment

My policy is to give a 0 grade to any assignment that has been plagiarized or an exam in which you have cheated. In addition, I am required by college policy to submit a report of suspected academic dishonesty to the Office of the Dean of Students. This report becomes part of your permanent file.

Course Outline

Please check website www.ProfessorDrou.com under SHU M&A page for course outline updates.