



# MERGERS, ACQUISITION AND CORPORATE RESTRUCTURING **23MBPE671**

(COURSE HANDBOOK)

MBA

COURSE HEAD:

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Asst. Prof. Akshitha

# 1. GENERAL INFORMATION

Welcome to Mergers, Acquisition and Corporate Restructuring!

This course plays a crucial role in the modern business environment, enabling organizations to achieve strategic growth, synergy, and competitive advantage. This course provides you with a comprehensive understanding of the concepts, theories, and financial implications of mergers and acquisitions (M&A). It explores various types of mergers, the rationale behind them, and the legal framework governing corporate restructuring. Students will learn about valuation techniques, accounting aspects, regulatory compliance, and post-acquisition integration, ensuring a holistic perspective on the subject.

The course also includes the financial evaluation of mergers, covering business valuation approaches, exchange ratio calculations, and methods for assessing the financial impact of M&A transactions. You will analyze real-world case studies to understand the challenges and benefits of mergers, acquisitions, and takeovers. Additionally, the course discusses the legal and regulatory framework, including the Competition Act, SEBI Takeover Code, and the role of the Competition Commission of India (CCI) in monitoring mergers and acquisitions.

By the end of the course, you will gain practical insights into corporate restructuring strategies, including leveraged buyouts (LBOs), spin-offs, divestitures, and cross-border mergers. Students will develop analytical skills for evaluating merger proposals, identifying risk factors, and implementing effective integration strategies. This knowledge is essential for careers in investment banking, corporate finance, consulting, and strategic management, where M&A decisions shape the future of businesses in a dynamic economic landscape. We look forward to an engaging and productive semester together!

## 1.1 Course Objectives

- **Understanding Mergers and Acquisition:** Impart the knowledge of concepts of merger and acquisition.
- **Financial Evaluation:** Establish knowledge of the financial evaluation of merger and acquisition.
- **Post-Integration:** Familiarize with the aspects of post-acquisition integration.
- **Corporate Restructuring:** Familiarize with different forms of corporate restructuring

## 1.2 Course outcome

- **CO1:** Summarize the concepts of Merger and Acquisition.
- **CO2:** Apply the theories of merger in Merger and Acquisition process.
- **CO3:** Apply the aspects of post-acquisition integration.
- **CO4:** Apply the concepts of fee based financial services.
- **CO5:** Analyze the financial aspects of amalgamation and takeover.

### 1.3 Set Text and Suggested Sources

All the below mentioned books are available in the 1st Floor Library.

#### **Key Text Books:**

1. Rabi Narayan Kar and Minakshi, “Mergers Acquisitions & Corporate Restructuring - Strategies & Practices”, 3rd Edition, Taxmann’s, 2017.
2. R. L. Gupta & V.K. Gupta, “Principles and Practice of Accountancy”, 14th Edition, Sultan Chand & Sons, 2019.

#### **Reference Text Books:**

1. Chandrashekar, Krishnamurti & Vishwanath S, “Mergers, Acquisitions and Corporate Restructuring: Text and Cases”, 2nd Edition, Sage Publications, 2018.
2. Sheeba Kapil and Kanwal N. Kapil, “Mergers and Acquisitions”, 2nd Edition, Wiley, 2017.

## 2. THE COURSE

### 2.1 Course Description

<b>MERGERS, ACQUISITION AND CORPORATE RESTRUCTURING</b>			
Semester	<b>IV</b>	CIE Marks	<b>50</b>
Course Code	<b>23MBPE671</b>	SEE Marks	<b>50</b>
Teaching Hrs/Week (L:T:P)	<b>3:0:0</b>	Exam Hrs	<b>03</b>
Total Hrs	<b>42</b>	Credits	<b>03</b>

The Mergers, Acquisition and Corporate Restructuring course designed to provide students with concepts, theories, and financial implications of mergers and acquisitions. The course will run for 13 weeks during Semester IV and consists of 5 modules that cover essential topics in mergers, acquisitions, and corporate restructuring. Each week includes 3 lectures, delivered by Dr. Jayshree Shetty and Ms. Akshitha, focusing on theoretical concepts, practical applications, and course-related activities. Spanning a total of 42 hours, this 3-credit course is assessed through Continuous Internal Evaluation (CIE) for 50 marks and a Semester-End Examination (SEE) for 50 marks.

### 2.2 Initiating Contact with Staff and Other Students

We encourage you to ask questions about the course. Please utilize email and office hours of faculty wisely, and review previous communications, official MITE website, and the handbook materials before contacting us with course inquiries. Additionally, engage with your peers for discussions and collaborative learning to deepen your understanding and build a supportive academic community.

## 2.3 Resources

Resources include books, digital libraries, e-learning platforms, and research databases. The digital resources provide students with anytime, anywhere access to academic materials and interactive courses. Through the college website, students can explore additional offerings like the VTU Consortium and open-access repositories, including government portals such as NPTEL and NDLI. This access to e-books, research papers, and video lectures creates a flexible and comprehensive learning environment.

E-learning and digital library can be accessed via the college website <https://mite.ac.in/> (Campus Life section > Library > VTU Consortium/e-learning platforms/additional sources).

## 2.4 Staff

- 1 Course Faculty: Dr. Jayashree Shetty  
Cabin: 3<sup>rd</sup> Floor, PG Block  
Email: [hodmba@mite.ac.in](mailto:hodmba@mite.ac.in)
- 2 Course Faculty: Prof. Akshitha  
Cabin: 2<sup>nd</sup> floor, PG Block  
Email: [akshitha@mite.ac.in](mailto:akshitha@mite.ac.in)

## 2.4 Topics and Reading materials for each module

### **Module 1**

*No. of Hours: 9*

- **Topic: Mergers and Acquisitions (M&A)**
  - Introduction of M & A, Meaning-types of mergers–Merger Motives-Theories of Mergers, Reasons for failures of M & A, synergy-types of synergy–value creation in M&A.
- **Activities:**
  - Research and present a recent M&A deal in India. Identify the merger type, motive, synergy created, and reasons for success or failure. This helps students analyze real-world applications of M&A theories, motives, and synergies while understanding practical challenges.
- **Essential Readings:**
  - Rabi Narayan Kar and Minakshi, “Mergers Acquisitions & Corporate Restructuring - Strategies & Practices”, 3rdEdition, Taxmann’s, 2017 Chapter 1
- **Additional Reading:**
  - Chandrashekar, Krishnamurti & Vishwanath S, “Mergers, Acquisitions and Corporate Restructuring: Text and Cases”, 2ndEdition, Sage Publications, 2018- Chapter 1

## **Module 2**

*No. of Hours: 8*

- **Topic: Financial Evaluation of Merger and Acquisition**

- Merger as a capital budgeting-Business valuation approaches-asset based, market based and income-based approaches-Exchange Ratio (Swap Ratio)-Methods of determining the exchange rate.

- **Essential Reading:**

- Rabi Narayan Kar and Minakshi, “Mergers Acquisitions & Corporate Restructuring - Strategies & Practices”, 3<sup>rd</sup> Edition, Taxmann’s, 2017-Chapter 16

- **Additional Reading:**

- Chandrashekar, Krishnamurti & Vishwanath S, “Mergers, Acquisitions and Corporate Restructuring: Text and Cases”, 2nd Edition, Sage Publications, 2018– Chapter 12

## **Module 3**

*No. of Hours: 10*

- **Topic: Accounting aspects of Amalgamation**

- Types of amalgamations- merger and purchase-Methods of Accounting- Pooling of interest method and Purchase method–Calculation of purchase consideration-Journal entries in the books of transferor & transferee company-Ledger accounts in the books of transferor and transferee companies.

- **Activities:**

- Provide students with a case study of an amalgamation. Ask them to identify the type of amalgamation, apply the appropriate accounting method, calculate purchase consideration, and record journal entries. Reinforces practical application of accounting treatments in M&A, enhancing analytical and problem-solving skills.

- **Essential Reading:**

- Rabi Narayan Kar and Minakshi, “Mergers Acquisitions & Corporate Restructuring - Strategies & Practices”, 3rd Edition, Taxmann’s, 2017– Chapter 8

- **Additional Reading:**

- Chandrashekar, Krishnamurti & Vishwanath S, “Mergers, Acquisitions and Corporate Restructuring: Text and Cases”, 2nd Edition, Sage Publications, 2018- Chapter 7

#### **Module 4**

*No. of Hours: 8*

- **Topic: Acquisitions/Takeovers & Post acquisition integration**

- Meaning and types of acquisition/takeovers (Friendly and Hostile takeovers)- Anti-takeover strategies-Anti-takeover amendments-Legal and human framework of M & A-Combination and Competition Act-2002, Competition Commission of India (CCI)-The SEBI Substantial Acquisition of Shares and Takeover (Takeover code-2011). Post-acquisition integration: Organization and human aspect of post 01.02.2023 acquisition –Stages in the integration process

- **Essential Reading:**

- Rabi Narayan Kar and Minakshi, “Mergers Acquisitions & Corporate Restructuring - Strategies & Practices”, 3rd Edition, Taxmann’s, 2017– Chapter 17

- **Additional Reading:**

- Chandrashekar, Krishnamurti & Vishwanath S, “Mergers, Acquisitions and Corporate Restructuring: Text and Cases”, 2nd Edition, Sage Publications, 2018– Chapter 10

#### **Module 5**

*No. of Hours: 7*

- **Topic: Introduction to Corporate Restructuring**

- Significance and forms of restructuring–sell-off, spin-off, divestitures, demerger, Equity Carve Out (ECO), Leveraged Buy-Outs (LBO), Management Buy Out (MBO), Master Limited Partnership (MLP), Limited Liability Partnership (LLP), Joint ventures, Cross-border mergers and acquisitions.

- **Activities:**

- Assign students different forms of restructuring and ask them to research a recent Indian example. They should explain the restructuring type, its purpose, and its impact on the company. Helps students understand various restructuring strategies, their significance, and real-world corporate decision-making processes.

- **Essential Reading:**

- Rabi Narayan Kar and Minakshi, “Mergers Acquisitions & Corporate Restructuring - Strategies & Practices”, 3<sup>rd</sup> Edition, Taxmann’s, 2017– Chapter 9

- **Additional Reading:**

- Chandrashekar, Krishnamurti & Vishwanath S, “Mergers, Acquisitions and Corporate Restructuring: Text and Cases”, 2nd Edition, Sage Publications, 2018– Chapter 11

### 3 ASSESSMENT

The assessment for the Mergers, Acquisition and Corporate Restructuring module is divided into two components: Continuous Internal Evaluation (CIE) and Semester End Examination (SEE), each accounting for 50% of the total marks.

**Continuous Internal Evaluation (CIE)** comprises two internal tests, scheduled for 8<sup>th</sup> and 14<sup>th</sup> week, which together contribute 30% of the total marks. Additionally, students can earn 20% through the completion of the assignments on Report on Indian Companies Mergers and Acquisitions – 10 Marks and Restructuring Strategy Assignment -10 Marks.

**Semester End Examination (SEE)** constitutes the remaining 50% of the total marks which is allocated to a 3-hour written examination. Key information regarding examination dates and related details can be accessed via the college website (Academics and Courses section > Calendar of Events > PG Even Sem).

#### **Rubrics for other Assessment Evaluation (Total: 20 Marks / 40% of CIE)**

<b>1. Report on Indian Companies Mergers and Acquisitions (10 Marks)</b>				
<b>Criteria</b>	<b>Excellent (10-9 Marks)</b>	<b>Good (8-7 Marks)</b>	<b>Satisfactory (6-5 Marks)</b>	<b>Needs Improvement (4-0 Marks)</b>
<b>Introduction &amp; Background</b>	Detailed introduction of company profiles and mergers and acquisition context.	Good introduction with adequate company details and background.	Only basic introduction	No proper introduction and background information.
<b>Post-Merger Integration &amp; Impact</b>	Integration process and impact on stakeholders thoroughly.	Covers only integration	Mentions integration process with limited details.	No discussion on integration and impact effectively.

<b>2. Restructuring Strategy Assignment (10 Marks)</b>				
<b>Criteria</b>	<b>Excellent (10-9 Marks)</b>	<b>Good (8-7 Marks)</b>	<b>Satisfactory (6-5 Marks)</b>	<b>Needs Improvement (4-0 Marks)</b>
<b>Identification of Restructuring Type</b>	Restructuring type with proper classification.	Restructuring type but with minor classification errors.	Mentions restructuring but lacks proper classification.	Wrong identification of restructuring type.
<b>Explanation of Restructuring Purpose</b>	Detailed explanation of the purpose with strong reasoning.	Purpose with some reasoning but lacks depth.	Purpose but lacks clarity and detail.	No explanation on the purpose effectively.