

# Teaching guide

## IDENTIFICATION DETAILS

Degree:	Business Administration and Management		
Field of Knowledge:	Social and Legal Science		
Faculty/School:	Law, Business and Governance		
Course:	COMPANY MERGERS AND TAKEOVERS		
Type:	Optional	ECTS credits:	3
Year:	3	Code:	7153
Teaching period:	Sixth semester		
Area:	Finance		
Module:	Functional administration of business areas		
Teaching type:	Classroom-based		
Language:	English		
Total number of student study hours:	75		

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## SUBJECT DESCRIPTION

Merger and acquisitions is an elective course in the third grade.

The acquisition of companies is one of the most common transactions in business these days. Corporations do acquisitions to expand their products and gain new markets. The course provides the student with the tools required to assess the acquisition of companies using the modern valuation techniques. After completing the course, students will be able to understand the use of Mergers and Acquisitions in business.

The subject Mergers and Acquisitions of Companies is an optional subject in the third year of the Bachelor's Degree. The aim of this subject is to provide students with the necessary knowledge to correctly assess the processes of external growth and business restructuring. Company mergers and acquisitions are one of the investment operations that have been carried out most frequently in recent years as a means of gaining competitiveness in the market. But in addition to the objectives of economic and financial profitability, we also aim to train students in values, and to give them a more complete knowledge as seekers of truth. Based on the Christian anthropology that inspires our university, the aim we seek as teachers at the Francisco de Vitoria University is the search for truth and goodness in community.

## GOAL

The subject Mergers and Acquisitions of Companies is an optional course of the third year of the Degree in Business Administration and Management.

The aim of this course is to provide the student with the necessary knowledge to correctly assess the processes of external growth and business restructuring.

Mergers and acquisitions of companies is one of the most important investment operations that have been carried out in recent years as a means of gaining competitiveness in the market. But in addition to the objectives of economic and financial profitability we also aim to train students in values, and give them a more complete knowledge as truth seekers.

Based on the Christian anthropology that inspires our university, the goal we seek as professors at the Francisco de Vitoria University is the community search for truth and good.

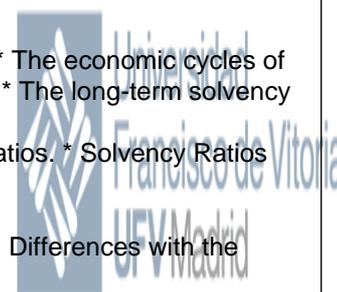
## PRIOR KNOWLEDGE

It is required an understanding of financial mathematics, specifically the Time Value of Money and Financial Accounting

## COURSE SYLLABUS

### SYLLABUS

- 1.- The Economic - Financial activity of the Company. \* Balance, Profit and Loss account. \* The economic cycles of business activity. Cycle to C/P and L/P. \* The Average Period of Maturity of the Company. \* The long-term solvency of the company. The Working Capital
- 2.- The analysis of the Economic-Financial Structure of the Company. Ratios \* Situation Ratios. \* Solvency Ratios and Financial Balance. \* Turnover ratios. \* Profitability Ratios.
- 3.- The Merger in Capital Companies. Concept. Guys. Phases of the corporate procedure.
- 4.- The Spin-off in Capital Companies. Concept. Guys. Phases of the corporate procedure. Differences with the Fusion.
- 5.- The global Assignment of assets and liabilities in Capital Companies. Guys. Phases of the corporate procedure..



- 6.- Acquisition of Listed Companies: Takeover bids
- 7.- Acquisition of companies. Process and types of acquisition. Regime of transmission of shares and social participations.
- 8.- Acquisition of companies. Letter of Intent. Features and content .
- 9.- Acquisition of companies. Legal Due Diligence. Technological platforms and procedures
- 10.- Acquisition of companies. Acquisition contract. Structure and content.
- 11.- The valuation of the company, the cost of Capital . \* Cost of the different financial sources of the company. \* Weighted Average Cost of Capital .
- 12.- The valuation of the company. Free Cash Flow \* Concept of Free Cash Flow. \* Calculation of Operating Free Cash Flow. \* Calculation of Financial Free Cash Flow. \* Estimate of future Free Cash Flows. \* Estimate of the residual value of the company. \* Calculation of enterprise value
- 13.- The valuation of the company. The Multiples. \* Gordon-Shapiro model \* Price-Earnings Ratio (PER). \* Other ratios used for the valuation of companies.

## EDUCATION ACTIVITIES

### FACE-TO-FACE ACTIVITIES / VIRTUAL SESSIONS

These activities are supported by active teaching methodologies based on flipped learning, which favor the best use of class time so that students participate actively in the development of different activities that ultimately involve greater student participation in their learning. .

For this, the techniques of carrying out Problem-Based Learning, gamification, project-based learning, etc., will be used, among other techniques.

The teacher will be the one who stimulates the different sessions that will allow the development of the various topics that make up the subject, interspersing theoretical presentations with the approach of exercises or practical cases, which will be solved by the students and which will be corrected and analyzed by the students with the moderation and guidance of the teacher.

With these classes it is intended that the student manages to understand and interrelate the concepts explained, with a technical vocabulary in the legal and economic disciplines.

Students will carry out, at the teacher's proposal, work individually and/or in teams, in order to enhance the autonomy and teamwork of each of the students.

### TUTORIALS

Personalized and individualized attention in order to be able to clarify, review the concepts and work carried out during the face-to-face classes and those other works to be developed by the students as non-face-to-face activities.

The tutorials will serve as an element of support and guidance to the student in their learning process.

Tutorial schedules will be specified on the first day of class or at the request of the student who will request the tutoring from the teacher by email. NON-

### NON-PRESENTIAL ACTIVITIES

In addition to the face-to-face activities, the student will have to carry out a theoretical study of the subject, topics developed in class, and a practical study by solving the proposed exercises and preparing the practical cases proposed for discussion and/or presentation in class. .

## DISTRIBUTION OF WORK TIME

CLASSROOM-BASED ACTIVITY	INDEPENDENT STUDY/OUT-OF-CLASSROOM ACTIVITY
30 hours	45 hours
<ul style="list-style-type: none"> <li>• Classroom activities.Lectures 10 hoursExercise solving: 10 hoursTeam Presentations: 5 hours 30h</li> </ul>	<ul style="list-style-type: none"> <li>• NON-CLASSROOM ACTIVITIESIndividual study: 15 hoursSolving practical exercises:15 hoursGroup work 15 hours 45h</li> </ul>



## SKILLS

### Basic Skills

Students must have demonstrated knowledge and understanding in an area of study that is founded on general secondary education. Moreover, the area of study is typically at a level that includes certain aspects implying knowledge at the forefront of its field of study, albeit supported by advanced textbooks

Students must be able to apply their knowledge to their work or vocation in a professional manner and possess skills that can typically be demonstrated by coming up with and sustaining arguments and solving problems within their field of study

Students must have the ability to gather and interpret relevant data (usually within their field of study) in order to make judgments that include reflections on pertinent social, scientific or ethical issues

Students must be able to convey information, ideas, problems and solutions to both an expert and non-expert audience

Students must have developed the learning skills needed to undertake further study with a high degree of independence

### General Skills

Ability to carry out synthetic and analytical thought.

To have developed the necessary skills to ensure problems are solved and goals are reached.

To be able to work and make decisions in all manner of situations.

To be able to apply relevant IT knowledge to the field of study.

### Specific skills

To be able to design and manage projects.

To be able to proficiently use the necessary tools to find an optimum financial balance between equity and long-term debt.

To be able to prepare and understand financial statements as a tool for subsequent decision-making, whilst having the ability to verify their veracity.

To be familiar with the techniques, models and methods for evaluating companies and to integrate them within a company's framework.

To be able to effectively use those tools needed for giving presentations.



## LEARNING RESULTS

- 1 A Understand in depth financial statements y the relationship between them, be able to calculate cash flows
- 2 B Understand different valuation methodologies. Multiples & DCFs
- 3 C Be able to value a company using different valuation methodologies
- 4 D Use effectively technology plataformas and programmes to perform company valuations and the presentation of results
- 5 E Understand how companies operate, the optimum level of gearing to sustain performance & social responsibility

## LEARNING APPRAISAL SYSTEM

The evaluation system in the ORDINARY CALL will be:

The students in FIRST ENROLLMENT, the evaluation of learning will be carried out through the following conditions and proportions:

a) Attendance and active participation in class (5%): Attendance together with a degree of active participation in the course of the class will have a weight of 5% In the teacher's opinion, intelligent contributions for the discussion with the teacher will be especially valuable to the rest of the class. (So ??that the concept of "Attendance and Active Participation in class" counts and to be able to do average with the rest of the concepts, this should not be less than 80%)

b) Papers, resolution of exercises, cases, etc. (25%) Tests of different types may be included as part of this continuous evaluation, such as the completion of test tests, questionnaires, individual or group work and partial evaluation tests. c) Final exam (70%). Any qualification obtained in one of the previous sections less than 5, will imply that the qualification of that section for the purpose of determining the final average mark of the call. In the event that the exam grade is less than 5 , the final grade of the call would be the one obtained in the exam.

The FINAL AVERAGE GRADE will be determined by the weighted average value of the grades obtained in the three sections, that is: Attendance and participation \*0.05 + Papers \*0.25 + Exam\*0.70

For those students in 2nd and SUBSEQUENT ENROLLMENT, and those others with ACADEMIC WAIVER granted by the Direction of the career, the learning evaluation system will be carried out through the following conditions and proportions:

a) The works, resolution of exercises and cases will have a weight on the final grade of 30%.

b) The final exam will have a weight on the final grade of 70% In this case, the FINAL AVERAGE NOTE will be determined by the weighted average value of the qualifications obtained in the two sections, that is: Assignments \*0.30 + Exam\*0.70 Any qualification obtained in one of the previous sections less than 5, will imply that the qualification of that section for the purpose of determining the final average mark of the call. In the event that the exam grade is less than 5, the final grade of the call would be the one obtained in the exam.

The evaluation system in the EXTRAORDINARY CALL will be carried out through the following conditions and proportions:

a) The works, resolution of exercises and cases will have a weight on the final grade of 30%.

b) The final exam will have a weight on the final grade of 70% In this case, the FINAL AVERAGE NOTE will be determined by the weighted average value of the qualifications obtained in the two sections, that is: Assignments \*0.30 + Exam\*0.70

Any qualification obtained in one of the previous sections less than 5, will imply that the qualification of that section for the purpose of determining the final average mark of the call. In the event that the exam grade is less than 5, the final grade of the call would be the one obtained in the exam.

To ensure meaningful learning by the student, the dates of delivery of the proposed activities, individual and group work, must be respected.

Plagiarism behaviors, as well as the use of illegitimate means in the evaluation tests and/or in the development of coursework, will be penalized in accordance with the rules established in the Evaluation Regulations and the Coexistence Regulations of the university."

## BIBLIOGRAPHY AND OTHER RESOURCES

### Basic



On line & printed articles Varios news articles available on the the Aula Virtual to support the class content & understanding of the material