**FEDERAL STATE BUDGET EDUCATIONAL**

**INSTITUTION OF HIGHER EDUCATION**

**“LOMONOSOV MOSCOW STATE UNIVERSITY”**

FACULTY OF ECONOMICS

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| «APPROVED»  Dean of the Faculty of Economics, MSU  professor \_\_\_\_\_\_\_\_\_\_\_\_\_ А.А.Auzan  «\_\_\_» \_\_\_\_\_\_\_\_\_\_\_\_2021 |
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**COURSE SYLLABUS**

**Course title:**

### International business: mergers and acquisitions

**Level of higher education:**

MASTER STUDIES

**Field of study:**

38.04.02. MANAGEMENT

**Mode of study:**

FULL-TIME

Course syllabus is considered and approved by

*the Educational and Methodological Council of the Faculty of Economics*

(minutes №\_\_\_\_\_\_\_\_\_\_, date)

Moscow 2021

The course syllabus is developed in accordance with the self-established MSU educational standard (ES MSU) for implemented main professional educational programs of higher education for Master’s degree in the field of study 38.04.02. Management

ES MSU is approved by the decision of MSU Academic Council dated December 28, 2020, minutes №7

Year (years) of enrollment: 2021 and forthcoming

1. **Place and status of the course in the structure of the Master program**

Course status: *elective*

Trimester: 5

1. **Course Prerequisites**

*This discipline is based on the knowledge and skills acquired as a result of studying following courses:*

* Foreign language
* Modern technologies and management decision-making
* Strategic management
* Managerial economics
* Creating a business
* Company management
* Project management in the digital economy
* Strategic business development

1. **Intended learning outcomes (ILO) of the course associated to the required competencies of the graduates**

|  |  |  |
| --- | --- | --- |
| **Competencies of graduates (codes)** | **Indicators of achievement of competencies** | **Intended learning outcomes of the course (module) associated to the required competencies of the graduates** |
| PC-11. Capable of independently creating models and algorithms for typical and non-standard organizational and managerial tasks to optimize the internal environment and to adapt to the requirements of the external environment of a particular functional unit and an organization as a whole | PC-11.I-2. Develops models and algorithms for standard and non-standard organizational and managerial decisions | PC-11.I-2.A-1. Able to apply main methods of analysis and modeling of managerial decisions under uncertainty and in lack of information |
| PC-11.I-2.A-2. Able to develop and justify effective organizational and managerial decisions considering the requirements of the external and internal environment |
| PC-14. Capable of justifying the choice of options for managerial decisions, developing and providing recommendations for the improvement of management activities of companies and organizations of various organizational and legal forms based on the criteria of financial and economic efficiency | PC-14.I-1. Suggests managerial decisions for companies and organizations that meet the criteria of financial and economic efficiency | PC-14.I-1.K-1. Knows the criteria and methods for assessing financial and economic efficiency that are used to make managerial decisions |
| PC-14.I-1.A-2. Able to conduct a financial and economic assessment of options for managerial decisions for companies and organizations of various organizational and legal forms |
| PK-14.I-2. Develops and formulates sound proposals to improve the financial and economic efficiency of the management activities of companies and organizations | PC-14.I-2.A-1. Able to to diagnose opportunities for improving the management activities of companies and organizations in terms of financial and economic efficiency |
| PC-14.I-2.A-2. Able to develop and justify measures to improve the management activities of companies and organizations of various organizational and legal forms |
| SPC-1. Capable of managing services and divisions in companies of various forms of ownership at different stages of the business development lifecycle, including using modern digital technologies | SPC-1.I-2. Applies modern digital tools and technologies in professional activities | SPC-1.I-2.A-1. Able to apply the basic digital tools, programs and technologies necessary to solve organizational and managerial tasks |
| SPC-2. Capable of organizing new business structures and develop strategies for their behavior in various markets | SPC-2.I-1. Capable of organizing the structure of departments, organizations, projects and networks independently | SPC-2.I-1.A-1. Able to develop and organize the structure of departments, organizations, projects and networks, taking into account development goals |
| SPC-2.I-2. Develops strategies for the behavior of business structures in various markets, taking into account existing and potential risks, making the most rational and effective decisions | SPC-2.I-2.A-1. Able to assess the economic and social conditions of entrepreneurial activity, identify new market opportunities and form new business models |
| SPC-2.I-2.A-2. Able to develop organizational strategies taking into account existing and potential risks, making the most rational and effective decisions |
| SPC-3. Capable of developing project solutions, business plans and business models using data analysis technologies, as well as developing proposals and activities for implementation of the developed projects and programs | SPC-3.I-2. Applies modern methods of data analysis in the process of developing, analyzing and implementing project solutions, business plans and business models | SPC-3.I-2.A-1. Able to apply main methods of data analysis in the process of development and implementation of project solutions, business plans and business models |
| SPC-4. Capable of evaluating the results of implementation of strategies and projects, conducting analytical research and carrying out consulting activity in the field of current issues in business development management based on data analysis | SPC-4.I-2. Conducts analytical research in the field of current issues in business development management | SPC-4.I-2.A-2. Able to collect information on business issues or business opportunities for research purposes |
| SPC-4.I-2.A-3. Able to apply modern methods of analytical research and use methods of data collection, processing and analysis |
| SPC-4.I-3. Carries out consulting activities in the field of current issues in business development management, including those based on data analysis methods | SPC-4.I-3.A-1. Able to identify preferences and formalize opinions of persons seeking consultation in the field of business development management |
| SPC-4.I-3.A-1. Able to professionally analyze and justify business development decisions according to the customer's instructions |

1. **Workload of the course by types of activity**

The workload of the discipline is \_3\_ ECTS: \_108\_ academic hours, including \_52\_ academic hours of contact work with a professor, \_56\_ academic hours of self-directed studies.

1. **Learning format**  full-time, with the use of educational platform On.Econ
2. **Content of the course structured by topics (sections) indicating the number of academic hours allocated to them and types of training**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Title and brief content of sections and topics of the course (module),**  **Form of assessment for the course (module)** | **Total**  **(hours**) | Including | | | | | | |
| **Contact work (work in contact with a professor) *Types of contact work, hours*** | | | | **Student self-directed studies**  ***Types of self-directed studies, hours*** | | |
| Seminars | Group consultations | Individual consultations | **Total** | Preparation for classroom studies | Self-learning | **Total** |
| Topic 1. Business valuation | 10 | 2 | - | 2 | 4 | 6 |  | 6 |
| Topic 2. Financial modeling basic techniques | 8 | 2 | 2 |  | 4 | 4 |  | 4 |
| Topic 3. M&A theoretical foundations | 10 | 2 | - | 2 | 4 | 6 |  | 6 |
| Topic 4. Financing transactions | 14 | 4 | 2 | 2 | 8 | 6 |  | 6 |
| Topic 5. M&A process: stages, participants, documentation | 12 | 2 | 4 | 2 | 8 | 4 |  | 4 |
| Topic 6. Due Diligence | 12 | 4 |  | 2 | 6 | 6 |  | 6 |
| Topic 7. Impact of business acquisition on the company's financial statements | 10 | 4 | - | 2 | 6 | 4 |  | 4 |
| Current certification: test | 10 | 4 | - | - | 4 | 6 | 6 | 6 |
| Intermediate certification (final course assessment)  – *final work* | 22 | 4 | - | 4 | 8 |  | 14 | 14 |
| **Total** | 108 | 52 | | | | 56 | | |

**Brief content of the course topics**

**Topic 1. Business valuation**

The topic discusses the basic approaches and methods of the business valuation, value types and practical assessment aspects. Within the framework of individual classroom work, it is supposed to solve practical problems of assessing company’s value using different approaches and methods.

**Course literature:**

1. Shannon P. Pratt, Alina V. Niculita. Valuing a Business. The Analysis and Appraisal of Closely Held Companies. McGraw-Hill, 2008.
2. A. Damodaran. Investment Valuation. John Wiley & Sons, 2007.
3. R. Braley, S. Myers. Principles of Corporate Finance. Olympus-Business, 2012.
4. A. G. Gryaznova, M. A. Fedotova. Business valuation. Moscow: Finance and statistics, 2005.
5. Chirkova E. V. How to evaluate business by analogy. Alpina Publisher, 2009.

**Topic 2. Financial modeling basic techniques**

The topic discusses the basic principles of financial modelling in the Microsoft Excel software environment, the requirements for the construction and design of the model, and techniques that allow to speed up the process of financial modelling.

**Course literature:**

1. Shannon P. Pratt, Alina V. Niculita. Valuing a Business. The Analysis and Appraisal of Closely Held Companies. McGraw-Hill, 2008.
2. A. Damodaran. Investment Valuation. John Wiley & Sons, 2007.
3. Д. D. Zharov. Financial modeling in Excel. Moscow: Alpina Business Books, 2008.

**Topic 3. M&A theoretical foundations**

Within the class’s framework, the basic concepts of the mergers and acquisitions sphere, the main motives for transactions, and the transaction stages are analysed. After mastering this topic, students should understand the principles of transaction price formation, the cost of control concept and the synergistic effects cost. Practical training contains problems and cases.

**Course literature:**

1. Patrick A. Gahan. "Mergers, acquisitions and restructuring of companies", Moscow: Alpina Business books, 2007.
2. Reed S. F., Lajoux A. R., the Art of mergers and acquisitions. Moscow: Alpina Business Books, 2004.

**Topic 4. Financing transactions**

The topic "financing transactions" is devoted to the mergers and acquisitions financing. As a study result, students should get theoretical knowledge and practical skills in determining the need for financing, choosing preferred forms of financing, calculating financial indicators and covenants used by credit institutions and investors.

**Course literature:**

1. Patrick A. Gahan. "Mergers, acquisitions and restructuring of companies", Moscow: Alpina Business books, 2007.
2. Reed S. F., Lajoux A. R., the Art of mergers and acquisitions. Moscow: Alpina Business Books, 2004.

**Topic 5. M&A process: stages, participants, documentation**

Topic describes the transaction preparation and implementation, investigate the role of participants required in each process, internal departments, and external consultants. The theme involves the study of documentation examples compiled in the framework of the transaction, as well as the independent development of documentation by students in practical classes.

**Course literature:**

1. S. M. Bragg. Mergers and acquisitions. Practical guide. Moscow: Maroseyka, 2010.
2. Patrick A. Gahan. "Mergers, acquisitions and restructuring of companies", Moscow: Alpina Business books, 2007.
3. Reed S. F., Lajoux A. R., the Art of mergers and acquisitions. Moscow: Alpina Business Books, 2004.

**Topic 6. Due Diligence**

The topic discusses the risks associated with the transaction, and ways to minimize risks using approaches to verify the purity of the transaction. Within the framework of the classes, the features of commercial, financial and legal due diligence are considered.

**Course literature:**

1. Patrick A. Gahan. "Mergers, acquisitions and restructuring of companies", Moscow: Alpina Business books, 2007.
2. Reed S. F., Lajoux A. R., the Art of mergers and acquisitions. Moscow: Alpina Business Books, 2004.
3. D. Rankin, G. Steadman, M. Bomer. Checking the purity of the transaction. Moscow: Olymp-Business, 2006.

**Topic 7. Impact of business acquisition on the company's financial statements**

The topic is devoted to the study of various transactions schemes for the company’s acquisition. The specifics of reflecting transaction results / impact of transactions on the company's financial statements, as well as potential tax consequences, are discussed in detail.

**Course literature:**

1. International financial reporting standards No. 3 (IFRS 3) "Business Combinations".
2. Patrick A. Gahan. "Mergers, acquisitions and restructuring of companies", Moscow: Alpina Business books, 2007.
3. Reed S. F., Lajoux A. R., the Art of mergers and acquisitions. Moscow: Alpina Business Books, 2004.
4. **Assessment tools to assess the course learning outcomes** 
   1. **Sample assessment tools:**

|  |  |
| --- | --- |
| **Learning outcomes of the course** | **Types of assessment tools** |
| PC-14.I-1.K-1. Knows the criteria and methods for assessing financial and economic efficiency that are used to make managerial decisions | Passing tests  Final work |
| PC-11.I-2.A-1. Able to apply main methods of analysis and modeling of managerial decisions under uncertainty and in lack of information | Activity at seminars (participation in discussions)  Solving problems and cases in the framework of individual classroom work  Final work |
| PC-11.I-2.A-2. Able to develop and justify effective organizational and managerial decisions considering the requirements of the external and internal environment |
| PC-14.I-1.A-2. Able to conduct a financial and economic assessment of options for managerial decisions for companies and organizations of various organizational and legal forms |
| PC-14.I-2.A-1. Able to to diagnose opportunities for improving the management activities of companies and organizations in terms of financial and economic efficiency |
| PC-14.I-2.A-2. Able to develop and justify measures to improve the management activities of companies and organizations of various organizational and legal forms |
| SPC-1.I-2.A-1. Able to apply the basic digital tools, programs and technologies necessary to solve organizational and managerial tasks |
| SPC-2.I-1.A-1. Able to develop and organize the structure of departments, organizations, projects and networks, taking into account development goals |
| SPC-2.I-2.A-1. Able to assess the economic and social conditions of entrepreneurial activity, identify new market opportunities and form new business models |
| SPC-2.I-2.A-2. Able to develop organizational strategies taking into account existing and potential risks, making the most rational and effective decisions |
| SPC-3.I-2.A-1. Able to apply main methods of data analysis in the process of development and implementation of project solutions, business plans and business models |
| SPC-4.I-2.A-2. Able to collect information on business issues or business opportunities for research purposes |
| SPC-4.I-2.A-3. Able to apply modern methods of analytical research and use methods of data collection, processing and analysis |
| SPC-4.I-3.A-1. Able to identify preferences and formalize opinions of persons seeking consultation in the field of business development management |
| SPC-4.I-3.A-1. Able to professionally analyze and justify business development decisions according to the customer's instructions |

* 1. **Course assessment criteria (scores):**

|  |  |
| --- | --- |
| **Types of assessment tools** | **Score** |
| Activity at seminars (participation in discussions) | 20 |
| Passing tests | 60 |
| Solving problems and cases in the framework of individual classroom work | 50 |
| Final work | 20 |
| **Total** | **150** |

* 1. **Grade for the course is determined based on the following criteria:**

|  |  |  |
| --- | --- | --- |
| **Grade** | **Minimum score** | **Maximum score** |
| *Excellent* | 127,5 | 150,0 |
| *Good* | 97,5 | 127,0 |
| *Satisfactory* | 60,0 | 97,0 |
| *Failed* | 0,0 | 59,5 |

**Note:** in case a student’s score obtained during the trimester is less than 20% of the maximum score of the discipline, the following rule of passing the course should be applied at the midterm assessment (and further re-examination): ‘a student can obtain only a satisfactory mark and only in case she/he receives for the midterm assessment, including all the course material, no less than 85% of the score allocated to this assessment’.

* 1. **Typical tasks and other materials necessary to assess the learning outcomes:**

In the process of studying the discipline in the framework of **individual classroom work**, students will have to solve problems and pass tests on the studied material. Tests are aimed at consolidating theoretical knowledge, and practical tasks and cases to practice practical skills.

**Intermediate certification** is carried out in the form of an exam. As part of the exam students are supposed to solve problems on the covered topics using the software environment Microsoft Excel.

* 1. **Methodological guidelines and assignment requirements:**

In order to prepare for tests and solve practical problems, students need to fully master the material studied in the framework of the General classroom work.

Evaluation of the problem solution results passing the test is made in proportion to the number of correctly solved tasks.

The **exam** consists of tasks similar to those analysed in the classroom. According to the results of solving problems, the examinee receives the number of points in proportion to the number of correctly solved problems. In a situation where the problem is solved mainly correctly, but the examinee did not come to the correct answer due to arithmetic errors or methodological errors, for this decision is assigned a part of the points attributable to the correct solution of one problem.

1. **Resources**
   1. **List of main and additional literature**

**Course literature:**

1. Shannon P. Pratt, Alina V. Niculita. Valuing a Business. The Analysis and Appraisal of Closely Held Companies. McGraw-Hill, 2008.
2. A. Damodaran. Investment Valuation. John Wiley & Sons, 2007.
3. R. Braley, S. Myers. Principles of Corporate Finance. Olympus-Business, 2012.
4. C. M. Bragg. Mergers and acquisitions. Practical guide. Moscow: Maroseyka, 2010.
5. A. G. Gryaznova, M. A. Fedotova. Business valuation. Moscow: Finance and statistics, 2005.
6. D. Zharov. Financial modeling in Excel. Moscow: Alpina Business Books, 2008.
7. Patrick A. Gahan. "Mergers, acquisitions and restructuring of companies", Moscow: Alpina Business books, 2007.
8. Reed S. F., Lajoux A. R., the Art of mergers and acquisitions. Moscow: Alpina Business Books, 2004.
9. D. Rankin, G. Steadman, M. Bomer. Checking the purity of the transaction. Moscow: Olymp-Business, 2006.

**Additional Literature (for preparing analytical notes):**

1. International financial reporting standards No. 3 (IFRS 3) "business Combinations".
2. Federal law No. 208-FZ of 26.12.2995 "On joint stock companies".

**8.2. List of licensed software**

##### Package of Software ‘Microsoft Office’

**8.3. List of professional databases and information referral systems**

Institutional subscription resources of the Faculty of Economics, MSU;

**8.4. List of Internet resources (if necessary)**

1. The information Agency AK&M, http://mergers.akm.ru/
2. The information portal Bloomberg, https://www.bloomberg.com/
3. Official website of Aswath Damodaran, Damodaran online,
4. http://pages.stern.nyu.edu/~adamodar/
5. Project Mergers.ru Mergers and acquisitions in Russia, http://mergers.ru/
6. The website of the Harvard Business Review, <https://hbr.org/>

**8.5. Description of material and technical support**

For the appropriate organization of classes the following equipment is needed: microphone, projector, flip chart, markers, Internet access.

1. **Language of instruction:**

##### English

1. **Professor (professors):**

Yatsenko B. N., Churkin I.M.

1. **Syllabus authors:**

Yatsenko B. N., Churkin I.M.