



GUJARAT TECHNOLOGICAL UNIVERSITY

Syllabus for Master of Business Administration (Part-Time), 6th Semester

Functional Area Specialization: Finance Management

Subject Name: Corporate Restructuring and Valuation (CRV)

Subject Code: 4569921

With effective
from academic
year 2018-19

1. Learning Outcomes:

| Learning Outcome Component | Learning Outcome (Learner will be able to) |
|---|---|
| Business Environment and Domain Knowledge (BEDK) | <ul style="list-style-type: none"> • <i>Evaluate</i> the concepts related to valuation of business enterprises and various forms of corporate restructuring. |
| Critical thinking, Business Analysis, Problem Solving and Innovative Solutions (CBPI) | <ul style="list-style-type: none"> • <i>Analyze</i> the various models of Business Valuation. • <i>Identify</i> and <i>estimate</i> value of operational, financial, and managerial synergies and incorporate those into the deal value calculations. |
| Global Exposure and Cross-Cultural Understanding (GECCU) | <ul style="list-style-type: none"> • <i>Evaluate</i> the cultural differences between national and international Mergers and Acquisitions (M & A). |
| Social Responsiveness and Ethics (SRE) | <ul style="list-style-type: none"> • <i>Analyse</i> the rights of the affected employees and the responsibilities of the shareholders in M & A transactions. |
| Effective Communication (EC) | <ul style="list-style-type: none"> • <i>Appraise</i> the importance of internal and external communication during pre and post period of M & A. |
| Leadership and Teamwork (LT) | <ul style="list-style-type: none"> • <i>Analyse</i> and <i>develop</i> the leader's approach in implementing and integrating the strategies of M&A. |

2. **Course Duration:** The course duration is of **40 sessions of 60 minutes each.**

3. Course Contents:

| Module No: | Contents | No. of Sessions | 70 Marks (External Evaluation) |
|------------|---|-----------------|--------------------------------|
| I | <p>Corporate Restructuring:</p> <ul style="list-style-type: none"> • Concept, Reasons for Restructuring, Barriers to Restructuring <p>Types of Corporate Restructuring:</p> <ul style="list-style-type: none"> • Expansion: <ul style="list-style-type: none"> ○ Amalgamation, Absorption, Asset acquisition / Mergers & Acquisitions <ul style="list-style-type: none"> • Concept, Classification of Mergers • Motives behind M & A • Reasons for failure • Reverse Merger • Recent Examples of M & A in India • Concept of Acquisition and types of Acquisitions ○ Joint venture <ul style="list-style-type: none"> • Types, benefits ○ Cross border expansion <ul style="list-style-type: none"> • Reasons, benefits | 10 | 17 |



GUJARAT TECHNOLOGICAL UNIVERSITY

Syllabus for Master of Business Administration (Part-Time), 6th Semester

Functional Area Specialization: Finance Management

Subject Name: Corporate Restructuring and Valuation (CRV)

Subject Code: 4569921

**With effective
from academic
year 2018-19**

| | | | |
|------------|--|----|----|
| | <p>Contraction:</p> <ul style="list-style-type: none"> ○ Spinoff, Split-ups, Equity carve out ○ Divestiture / Asset sale <ul style="list-style-type: none"> ● Concept, benefits ● Types of Divestiture ● Reasons for Divestiture <p>Corporate controls:</p> <ul style="list-style-type: none"> ○ Going private ○ Buyback ○ Leveraged Buyouts <ul style="list-style-type: none"> ● Concept, types of LBOs ○ Takeover and Anti-takeover defence <ul style="list-style-type: none"> ● Concept ● Takeover Defence tactics ● Benefits and disadvantages of Takeover ○ ESOPs <ul style="list-style-type: none"> ● Concept (only theory) <p>Due diligence: Concept, types of Due Diligence</p> | | |
| II | <p>Basics of Business Valuation: Introduction, Purpose of valuation, Role of Valuation, key, Concepts of value: Market Value, Book Value, Liquidation value Intrinsic Value, Replacement Value, Fair value, Valuation process</p> <p>Overview of various approaches to valuation (Theory & Numerical)</p> <p>Asset Based Valuation:</p> <ul style="list-style-type: none"> ● Net Asset Method <ul style="list-style-type: none"> ○ Book Value basis ○ Market Value basis ○ Liquidation Value basis <p>Income Based Valuation:</p> <ul style="list-style-type: none"> ● Discounted Cash Flow Method <ul style="list-style-type: none"> ○ Equity Valuation and Firm Valuation covering Stable growth and two stage growth (FCFE and FCFF models) ○ Dividend Yield Method ○ Capitalization Method | 10 | 18 |
| III | <p>Market Based Valuation:(Theory & Numerical)</p> <ul style="list-style-type: none"> ● Comparable company and Transaction Analysis Method ● Fair Value Method | 10 | 18 |



GUJARAT TECHNOLOGICAL UNIVERSITY

Syllabus for Master of Business Administration (Part-Time), 6th Semester

Functional Area Specialization: Finance Management

Subject Name: Corporate Restructuring and Valuation (CRV)

Subject Code: 4569921

With effective
from academic
year 2018-19

| | | | |
|----|---|-----|-------------------|
| | <p>Valuation Using Multiples:(Theory & Numerical)</p> <ul style="list-style-type: none"> • Earnings Based Approach (Earnings - Capitalization Method, EPS, MPS, P/E Ratio), <p>Exchange Ratio and Synergy:(Theory & Numerical)</p> <ul style="list-style-type: none"> • Concept • ER based on EPS, MPS, PE • Combined EPS, Combined MPS, Combined PE • Minimum and Maximum Exchange Ratio based on MPS and EPS • Market value of merged firm • Cost and Benefits of a merger | | |
| IV | <p>Overview of Valuation of Intangible Assets (Only Theory) Definition of Intangibles, Reasons to Conduct Intangible Valuation, Recognition, Valuation of Goodwill, Brands and Human Resource</p> <p>Accounting for Mergers:</p> <ul style="list-style-type: none"> • AS14 • Methods of Accounting • Balance Sheet Treatments after M & A <p>Discussion on the Practical Ecosystem for Corporate Restructuring through real Indian cases such as Split of Reliance Industries Limited, RIL-RPL merger, ICICI-ICICI Bank Merger, LIC-IDBI Bank, IDBI-IDBI Bank etc.</p> | 10 | 17 |
| V | <p>Practical:</p> <ul style="list-style-type: none"> • Various Case Studies on Enterprise Valuation • A case report correlating the theories and valuation model must be prepared by using the data and example of M&A deals occurred in the past. (For preparing this case report, any sector and any deal pertaining to that sector can be taken as per choice and discretion) | --- | (30 marks CEC) |

4. Pedagogy:

- ICT enabled Classroom teaching
- Case study
- Practical / live assignment
- Interactive class room discussions

5. Evaluation:

Students shall be evaluated on the following components:

| | Internal Evaluation | (Internal Assessment- 50 Marks) |
|---|--|---------------------------------|
| A | <ul style="list-style-type: none"> • Continuous Evaluation Component | 30 marks |
| | <ul style="list-style-type: none"> • Class Presence & Participation | 10 marks |
| | <ul style="list-style-type: none"> • Quiz | 10 marks |



GUJARAT TECHNOLOGICAL UNIVERSITY

Syllabus for Master of Business Administration (Part-Time), 6th Semester

Functional Area Specialization: Finance Management

Subject Name: Corporate Restructuring and Valuation (CRV)

Subject Code: 4569921

With effective
from academic
year 2018-19

| | | |
|----------|----------------------------------|---------------------------------------|
| B | Mid-Semester examination | (Internal Assessment-30 Marks) |
| C | End –Semester Examination | (External Assessment-70 Marks) |

6. Reference Books:

| No. | Author | Name of the Book | Publisher | Year of Publication / Edition |
|-----|---|--|---------------------------|-------------------------------|
| 1 | Aswath Damodaran | Damodaran on Valuation | Wiley-India | Latest |
| 2 | Rajinder S. Aurora, Kavita Shetty, Sharad Kale | Mergers and Acquisitions | Oxford | 2011 |
| 3 | Prasad G. Godbole | Mergers, Acquisitions and Corporate Restructuring | Vikas Publication | 2009 |
| 4 | Prasanna Chandra | Corporate Valuation: A Guide for Analysts - Managers and Investors | McGraw Hill | 2014 |
| 5 | Patrick A. Gaughan | Mergers, Acquisitions and Corporate Restructurings | Wiley | 2019 / 7 th |
| 6 | Prasanna Chandra | Corporate Valuation and Value Creation | McGraw Hill | 2011 |
| 7 | Bhagaban Das, Debdas Raskhit, Sathya Swaroop Debasish | Corporate Restructuring | Himalaya Publishing House | 2009 |
| 8 | M. Y. Khan and P. K. Jain | Financial Management | McGraw Hill | 2018 / 8 th |
| 9 | Pradip Kumar Sinha | Mergers, Acquisitions and Corporate Restructuring | Himalaya | 2016 |
| 10 | Prasanna Chandra | Financial Management: Theory and Practice | McGraw Hill | Latest |

Note: Wherever the standard books are not available for the topic appropriate print and online resources, journals and books published by different authors may be prescribed.

7. List of Journals/Periodicals/Magazines/Newspapers / Web resources, etc.

1. Business Standard
2. The Economic Times
3. Financial Express
4. Chartered Financial Analyst
5. Journal of Applied Finance
6. CFA Reader
7. Business Today
8. Business India
9. Business World



GUJARAT TECHNOLOGICAL UNIVERSITY

Syllabus for Master of Business Administration (Part-Time), 6th Semester

Functional Area Specialization: Finance Management

Subject Name: Corporate Restructuring and Valuation (CRV)

Subject Code: 4569921

With effective
from academic
year 2018-19

10. Finance India
11. http://www.aceanalyser.com/Analyst%20Meet/100325_20090302.pdf (RIL-RPL Merger)
12. https://www.ripublication.com/gjfm-spl/gjfmv6n9_02.pdf (Corporate Restructuring of RIL)
13. <https://www.icicibank.com/managed-assets/docs/investor/investor-presentations/2001/mergerpresentation.pdf> (ICICI-ICICI Bank)
14. <https://thewire.in/banking/explained-why-its-a-bad-idea-for-lic-to-buy-idbi-bank> (LIC-IDBI)
15. <http://www.icmrindia.org/Short%20Case%20Studies/Business%20Strategy/CLBS065.htm> (IDBI-IDBI Bank, Paid Resource)
16. https://www.iupindia.in/904/TM_IDBI_IDBI_Bank_60.html (IDBI-IDBI Bank, Paid Resource)