

Montclair State University
School of Business
Department of International Business

- I. COURSE NUMBER: INBS 558 / FINC 577-02
- II. COURSE NAME: Cross-Border Mergers and Acquisitions (M&As)
- III. CREDIT HOURS: 3.0
- IV. PREREQUISITE: INBS 501
- V. CATALOG DESCRIPTION OF THE COURSE

This course examines the trends, the determinants, and the performance of cross-border M&As. It proceeds to explore the impact on economic development of Foreign Direct Investments (FDI) through cross-border M&As as opposed to Greenfield investments, a competing foreign market entry mode. Finally, this course addresses the question of corporate strategy formulation to optimize net benefits of cross-border M&As.

VI. AIMS OF THE COURSE

The general aim of this course is to enhance the ability of students to understand the background, the motivations, and the performance of cross-border M&As. The course particularly focuses on enabling students to analyze and solve problems arising from international transactions specific to M&As. Contemporary practices of cross-border M&As and their impact on economic development receive special attention in the course.

VII. SPECIFIC OBJECTIVES OF THIS COURSE

With completion of this course, students are expected to learn

- Why cross-border M&As are playing an increasingly important role in the growth of international production
- Why Multinational Corporations (MNCs) prefer M&As as an entry mode for expanding internationally
- How cross-border M&As affect corporate performance
- How Foreign Direct Investment (FDI) impacts economic growth of the host counties through M&As.
- How corporate strategies can be developed to make cross-border M&As successful.

VIII. CONTENT AND SCOPE OF THE COURSE

A. Trends in Cross-border M&As

- Global trends
- Regional trends

- Sector and industry trends
 - Privatization and cross-border M&As
- B. Motivations and Performance of cross-border M&As
- Why do firms engage in cross-border acquisitions
 - Changes in economic environment
 - Corporate performance of cross-border M&As
- C. Cross-border M&As as a mode of foreign market entry
- Role of M&As compared with Greenfield FDI
- D. Corporate strategies for cross-border M&As
- Assessment of cross-border M&As
 - Market: Country specific factors
 - Potential targets: Valuations of target firm
 - Deal structuring
 - Alternatives
 - International alliances
 - International joint ventures

IX. PROCEDURE, TECHNIQUE AND METHODS

The course uses the following methods:

1. Case analysis
2. Lectures and class discussion
3. Written report on a selected topic
4. PowerPoint presentation
5. Lecture notes
6. Blackboard
7. Usages of on-line resources

X. EDUCATIONAL DIMENSIONS OF THE STRATEGIES CHARTER SUPPORTED BY THE COURSE

The course addresses the five educational dimensions of the School of Business strategic charter in the following manner.

- Thinking skills: The course will require students to analyze cases on a continuous basis. Students will develop their thinking skills by identifying the uniqueness of the problems in each case and their multi-level solutions
- Discipline-specific knowledge: The course will offer a comprehensive view of cross-border M&As and their impacts on international production. Students will be required to evaluate and assess performance of cross-border M&As in their exams and projects.

- Communication skills: Students will develop rigorous written and oral communications skills through presentation and submission of case analysis reports.
- Change management: The course will focus on new challenges in global businesses environment, which have affected investment strategies of MNCs, such as choice of market entry modes. Students will need to assess entry strategies in their class presentations and written reports of assigned cases.
- Self-development: The course will encourage individual aspirations and facilitate effective use of study and research interest to fulfill such aspirations.

XI. BASIC REQUIREMENTS FOR COMPLETION OF THE COURSE

Students learning will be evaluated with all or some combination the following:

1. Written analysis and discussion on business cases
2. Written exams based on lectures, discussions and assigned readings.
3. Written and oral presentation of an assigned project
4. Class attendance
5. Class participation

XII. BASIC REQUIREMENTS FOR COMPLETION OF THE COURSE

Primary Text

- Gregorious, Greg. N and Luc Renneboog, International Mergers and Acquisitions Activity Since 1990: Recent Research and Quantitative Analysis, Elsevier Publisher, 2007

Supplementary Text

- Boeh, Kevin K., and Paul W. Beamish, Mergers and Acquisitions: Text and Cases, SAGE Publications 2007

Supplementary Resources

Academic articles in various academic journals, such as Journal International Business Studies, Journal of Multinational Financial Management, and Emerging Markets Review.

Euromoney Magazine (www.euromoney.com): Eurocurrency and Eurobond activity.

Financial Times (www.ft.com): Current international financial news and analysis.

National Bureau of Economic Research (www.nber.org) : Academic research on international finance

The Economist (www.economist.com): Current international financial news and analysis