

Georgia Institute of Technology
Scheller College of Business

Corporate Restructuring
Syllabus
MGT 6066 Fall 2026
Wednesdays 6:30-9:15 P.M.

INSTRUCTOR: Narayanan Jayaraman
OFFICE: 400 SCOB PHONE: 404-894-4389
e-mail: narayanan.jayaraman@scheller.gatech.edu
www.scheller.gatech.edu/jayaraman

"I never did anything worth doing by accident, nor did any of my inventions come by accident. They came by work." Thomas Edison

<u>TOPIC</u>	<u>PAGE</u>
INTRODUCTION	2
COURSE OBJECTIVES	2
REQUIRED TEXT	4
GRADING SCHEME	4
ATTENDANCE & CLASS PARTICIPATION	4
ACADEMIC INTEGRITY	4
ACCOMMODATION FOR STUDENTS WITH DISABILITIES	5
STUDENT-FACULTY EXPECTATIONS AGREEMENT	5
GROUP CASE WRITE-UPS	5
GROUP PROJECT	5
EXAMINATION	6
TIME MANAGEMENT	6
OFFICE HOURS	7
LIST OF CASES	7
COURSE OUTLINE	8

Introduction

This interdisciplinary course examines the finance, economics, law, and business strategies that underlie major corporate restructuring transactions. These transactions include mergers, acquisitions, tender offers, leveraged buyouts, divestitures, spin-offs, equity carve-outs, liquidations, and reorganizations. The course seeks to give students an understanding of the economic underpinnings of corporate acquisitions, addressing such issues as the sources of acquisition value and managerial incentives to engage in or resist acquisition. Cases will be used to integrate theoretical ideas and their practical applications.

Who should take this course?

This course is intended for future financial advisors, shareholders, investors, and directors who wish to enhance their ability to evaluate the strategic and financial decisions of firms. This course will present the traditional tools for evaluating corporate transactions. In addition, a clear understanding of the pressures and incentives CEOs face will facilitate distinguishing between the self-interested decisions from the ones that are made truly in the shareholders' best interest. This course will also benefit future managers, by illustrating the pitfalls of veering away from a value-creating path. Everyone should take away from this course the rigorous standards and a critical eye for evaluating value-creation opportunities.

This course assumes knowledge of introductory accounting and corporate finance courses. This includes familiarity with concepts like cost of capital, CAPM, capital structure, interest tax shields, and previous exposure to multiples- and WACC-based valuation methods. The course will involve financial modeling so a familiarity with Excel will be assumed. Many classes will involve extensive quantitative examples, but the goal will always be to illustrate fundamental concepts and to gain insights into why firms and managers do what they do.

Course Objectives

By the end of the course, you should be able to:

Valuation

1. Apply the multiples method to value companies.
2. Analyze the effect of leverage and taxes on firm value.
3. Choose between the WACC and APV methods to value companies.

Mergers and Acquisitions

1. Identify the sources of merger synergies.

2. Explain the challenges of valuing synergies.
3. Compute the Deal NPV in stock versus cash deals.
4. Evaluate the attractiveness of a deal from both target and acquirer perspectives.
5. Distinguish between the acquisition premium and the deal NPV.
6. Evaluate the pros and cons of stock versus cash deal financing.
7. Evaluate the evidence on M&A performance.
8. Evaluate a deal's value from announcement day returns.
9. Explain why many mergers fail.
10. Identify the incentives CEOs face to pursue acquisitions.
11. Critique the value of accretive acquisitions.
12. Link executive incentives to corporate strategy and outcomes.

Restructuring and LBOs

1. Explain how various types of corporate restructuring benefit shareholders.
2. Explain how LBOs create value.
3. Evaluate a company's ability to meet future debt obligations.
4. Compute returns to LBO investors (IRRs).
5. Identify the drivers of returns to LBO investors.
6. Explain the goals of the various parties of an LBO.
7. Determine an LBO capital structure that satisfies various parties' goals.
8. Evaluate the evidence on the benefits of LBOs.
9. Explain how private equity owners can risk a company's solvency.
10. Explain the conflicts of interest that arise in Management Buyouts (MBOs).
11. Analyze the potential financial gains for CEOs in MBOs.

Corporate Governance

1. Identify the limits on shareholder power in corporate democracy.
2. Identify the roles and responsibilities of the board of directors.
3. Describe the limits and challenges boards face in monitoring management.
4. Describe the steps in the M&A deal process.
5. Explain and rationalize features of the Definitive Merger Agreement.
6. Explain how incentives of the various deal parties shape the process and features of the deal.
7. Explain the obstacles to a tender offer.
8. Evaluate various bidding strategies in a tender offer.
9. Describe the challenges of a proxy fight.
10. Identify and justify companies' anti-takeover defenses.
11. Evaluate the choices boards face in responding to a hostile tender offer.
12. Critique the role of activist investors in corporate governance.

Overall

1. Understand how capital structure decisions affect firm value.
2. Identify the incentives of various parties in structuring and negotiating a deal.
3. Contrast the value creation potential of a deal to the private benefits.
4. Evaluate the pros and cons of mechanisms to curb managerial agency problems.

Required Text

Mergers, Acquisitions, and Other Restructuring Activities: Donald DePamphilis (Eleventh Edition)

Course Notes - Downloadable on Canvas
Cases - Sold by HBS Publishing

The Wall Street Journal (Highly recommended)

Recommended

Valuation: Measuring and Managing the Value of Companies, T. Copeland, T. Koller, & J. Murrin, John Wiley & Sons, Inc., 5th edition, 2026.

Grading Scheme

Mid-term	35 %
Group Case Write-ups	20 %
Problem Sets	10 %
Group Project	25 %
Class Participation	10 %

Attendance & Class Participation

Class participation grades will be determined based on participation in the class discussion of the cases. You are required to participate in the class. A necessary (but not sufficient) requirement for participation is presence. If you are not in the class, you cannot have participated. I do “cold call” on individuals

Academic Integrity

Georgia Tech aims to cultivate a community based on trust, academic integrity, and honor. Students are expected to act according to the highest ethical standards. Review Georgia Tech’s Honor Code and the student Code of Conduct. Any student suspected of cheating or plagiarism on a quiz, exam, or assignment will be reported to the Office of Student Integrity, who will investigate the incident and identify the appropriate penalty for violations.

Accommodations for Students with Disabilities

If you are a student with learning needs that require special accommodation, contact the Office of Disability Services (404-894-2563) as soon as possible to make an appointment to discuss your special needs and to obtain an accommodations letter. Please also e-mail me as soon as possible in order to set up a time to discuss your learning needs.

Student-Faculty Expectations Agreement

At Georgia Tech, we believe that it is important to strive for an atmosphere of mutual respect, acknowledgement, and responsibility between faculty members and the student body. The Student-Faculty Expectations articulate some basic expectations that you can have of me and that I have of you. In the end, simple respect for knowledge, hard work, and cordial interactions will help build the environment we seek. Therefore, I encourage you to remain committed to the ideals of Georgia Tech while in this class.

Group Case Write-ups

A group can consist of maximum of four students. The cases are listed in the course outline. The list of questions to analyze the case is listed in the outline. The group must submit a maximum of four-page single space write-up (excluding graphs and tables) at the **beginning** of the class on the day the case is planned to be discussed. There will be a peer evaluation at the end of the course.

Group Project

The group project involves picking a major corporate restructuring event in 2012-2023 and analyzing it in detail. You can use Lexis/Nexis data source, World Wide Web among other sources. Some of the web sites include SEC-the EDGAR (www.sec.gov), company web sites, Ohio State University's Fisher College of Business Finance web site: www.cob.ohio-state.edu/dep/fin/ among others. Library sources include the Wall Street Journal Index (Corporate), Fortune, Forbes, and BusinessWeek, among others. Get as much information about the restructuring event that you want to study.

Write an outline reflecting all the issues involved. Include motivations, analysts and market reactions, expectation of all companies involved, the way the deal was financed and the effect it had on the financial statements, industry trends if applicable, state of the U.S. economy, initial changes after the event (such as layoffs, divestitures, changes in top management) and the outcome of the event. Debt levels often play an important role, so be sure to study the debt-to-equity ratios, especially in LBOs. Try to get current information on how the company is doing and whether time has shown the event to be good or harmful to the company.

You can obtain financial information for spreadsheet analysis from the following sources: Compustat, Disclosure, Moody's Manuals, Company Annual Reports.

In takeover battles, include the defensive actions of the targets and the responses of the potential acquirer. Was the offer friendly? Was it a tender offer or share exchange? How big are the companies in relation to each other? Had they been performing well or poorly recently? Why? Was the target management decided to stay independent at any cost? Was the target management team highly regarded? Were there takeover rumors prior to the takeover to the initial announcement? How high a premium did the acquirer offer?

In LBOs and leveraged recapitalizations, show why the firm made a good or bad candidate for a leveraged buyout. Did the firm stay private? How did the firm pay down the debt? How did the debt level affect operations and competitive position?

In proxy fights, answer these questions: What was the fight about? How did the small shareholders feel versus the large institutional shareholders? Was management confident of a victory? How close was the vote? What was the percentage of institutional ownership? If management won the proxy fight, did their behavior change? If the challengers won, were they able to make changes they desired?

It is often important to cover the impact of laws and court decisions. Antitakeover laws can play a big role. Mention why the court ruled the way it did and how it affected the battle.

I expect the written report to be no longer than ten pages (excluding the appendices). Please plan for a presentation of about twenty minutes during the last week of classes.

Exams

NO MAKE-UP EXAM WILL BE GIVEN. YOU WILL BE ASSIGNED A SCORE OF ZERO IF YOU MISS AN EXAM WITHOUT PRIOR PERMISSION FROM THE INSTRUCTOR. THERE WILL BE NO EXCEPTIONS TO THIS RULE.

Time Management

In a professional school environment, as in any professional environment, time management is a critical factor in accomplishing the desired goals. The following should help you design your own time schedule for the course.

Average Time per week

Class Session	3 hours
Pre-class preparation	1 hour
After-class revision	1 hour
Case assignments	3 hours

8 hours

Office Hours

Physical Office Hours: Wednesdays 5-6 P.M. or by appointment

Virtual Office Hours: I will respond to all e-mails once a day at least.

List of Cases and Articles

- | | |
|---|---------------------|
| 1. Anheuser-Busch and Campbell Taggart | HBS Case 9- 291-020 |
| 2. Interco | HBS Case 9-291-033 |
| 3. Using APV: A Better Tool for Valuing Operations | 97306-PDF-ENG |
| 4. American Cyanamid A & B | HBS Case 9-898-120 |
| 5. Eaton Corporation: Portfolio Transformation and
The Cost of Capital | HBS 9-221-006 |
| 6. Marriott Corporation (A) | HBS Case 9-394-085 |
| 7. Kerr-McGee | HBS Case 9-207-020 |
| 8. The M&A “Pitch Book” | Darden UVA-F-1338 |
| 9. An Introduction to Cash Flow Valuation Methods | HBS Case 9-295-155 |
| 10. Kinder Morgan, Inc. – Management Buyout | HBS Case 9-207-123 |
| 11. Vodafone AirTouch’s Bid for Mannesmann | HBS Case 9-201-096 |

Course Outline

CN - Course Notes, DP – DePamphilis, HBS - Harvard Business School Case; Darden

***** Write up required

Module	Date	Description	Remarks
1	8/26	Introduction	Chapter 1 DP, CN
2	8/26	Regulatory Considerations	Chapter 2 DP, CN
3	9/2	Corporate Takeover Market	Chapter 3 DP, CN
4	9/2	Event Studies	Chapter 3 Bruner
5	9/9	Planning: Developing Business & Acquisition Plans	Chapter 4 DP, CN
6	9/9	Implementation: Search through Closing	Chapter 5 DP, CN
7	9/9	Integration	Chapter 6 DP, CN
8	9/16	Anheuser-Busch and Campbell Taggart *****	HBS Case 9-291-020
9	9/16	Valuation	Chapter 7 DP, CN
10	9/23	Valuation	Chapter 8 DP, CN
11	9/23	Valuation	Chapter 9 DP, CN
12	9/30	Interco ****	HBS Case 9-291-033
13	9/30	M & A Pitch Book	Darden UVA-F-1338
14	10/7	American Cyanamid A & B	HBS Case 9-897-178
15	10/7	Alternative Restructuring Strategies	Chapter 16, DP, CN
16	10/14	Alternative Restructuring Strategies	Chapter 17 DP, CN
17	10/14	Marriott Corporation	HBS Case 9-394-085
18	10/21	Financing the deal and LBOs	Chapter 13 DP, CN
19	10/21	Eaton Corporation	HBS Case 9-221-006
20	10/28	Guest Lecture	
21	10/28	Management Guidelines for M&A	CN HBS 9-206-101
22	11/4	Mid-Term	Chapters 1,2,3,4,5,7,8,9,16,17,13, and cases
23	11/11	Kerr-McGee Case	HBS 9-207-020
24	11/11	Ethical Considerations	CN
25	11/11	International Takeovers	Chapter 18 DP, CN
26	11/18	Kinder Morgan	HBS Case 9-207-123
27	12/2	Vodafone AirTouch's Bid for Mannesmann	HBS 9-201-096
28	12/9	Group Presentations	