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Course Information

Course Title: Mergers and Acquisitions #3606

Recommended CPE credit hours for this course

In accordance with the standards of the National Registry of CPE Sponsors, CPE credits have been granted based on a 50-minute hour.

CPA: 19 (All states)

National Registry of CPE Sponsors ID Number: 107615.

Sponsor numbers for states requiring sponsor registration

Florida Division of Certified Public Accountancy: 4761 (Ethics #11467)

Hawaii Board of Accountancy: 14003

New York State Board of Accountancy: 002146

Ohio State Board of Accountancy: M0021

Texas State Board of Accountancy: 009349

Course Description

Mergers & Acquisitions is designed for both professionals and students. Professionals can use it as a reference tool for engaging in acquisition transactions, while it provides students with an overview of the entire process. Given its complete coverage of the mergers and acquisitions topic, *Mergers & Acquisitions* may earn a permanent place on your book shelf.

Program Delivery Method: NASBA QAS Self-Study (interactive)

Subject Codes/Field of Study: Accounting

Course Level, Prerequisites, and Advance Preparation Requirements

Level: Overview

Prerequisites: None

Advance Preparation: None

Course Content

Publication/Revision date: 3/09/2015.

Author: Steven M. Bragg, CPA.

Final exam (online): Ninety-five questions (multiple-choice).

Instructions for taking this course

In order to receive CPE credit for this course, you must complete the course within one year of the date of purchase. This includes achieving a passing grade of at least 70% on the final exam. The exam may be retaken if not passed on first attempt (no charge).

Complete the course by following the learning assignments and objectives listed on the following page and studying the review questions at the end of each chapter. Once you have completed each learning assignment and you are confident that the learning objectives have been met, answer the final exam questions (online).

Instructions for Taking the Final Exam Online

- Login to your account online at www.bhfe.com.
- Go to "My Account" and view your courses.
- Select "Take Exam" for this course and follow instructions.

Have a question? Call us at 800-588-7039 or email us at contact@bhfe.com.

Learning Assignment & Objectives

- Cite the types of acquisition strategies that companies engage in.
 - Note the players involved and documents used in the acquisition process.
 - Identify the laws and regulations under which the government reviews proposed acquisitions.
 - State the activities that can be engaged in to prepare a business for sale, as well as the reasons for selling.
 - Note the problems and advantages of data rooms and why they are used.
 - Cite the different types of acquisition valuation methods, the variability of their results, and why a detailed valuation is of such interest to the seller's board of directors.
 - State the types of synergies that an acquirer can pursue, as well as how projected synergies can be reported.
 - Identify the techniques available for acquiring a target business with a hostile takeover, and the defenses that may be raised against it.
 - State the areas in which due diligence should be conducted on a target company, the specific tasks to be completed, and the impact of due diligence costs on small acquisitions.
 - Cite the advantages and disadvantages of paying for an acquisition with stock, debt, or cash from the perspectives of the acquirer and seller.
 - Identify the legal structures used in an acquisition, and why they are used.
 - Itemize the contents and uses of the letter of intent, term sheet, purchase agreement, and closing memorandum.
 - State the role of the integration team, and the areas in which it is most likely to take steps to integrate the operations of the acquirer and acquiree.
 - Note the accounting required for an acquisition transaction under Generally Accepted Accounting Principles.
 - Identify the responsibilities and fee structures of the various acquisition specialists.
 - State the merits and shortfalls of reverse mergers, and how a reverse merger transaction works.
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About the Author

Steven Bragg, CPA, has been the chief financial officer or controller of four companies, as well as a consulting manager at Ernst & Young. He received a master's degree in finance from Bentley College, an MBA from Babson College, and a Bachelor's degree in Economics from the University of Maine. He has been the two-time President of the Colorado Mountain Club, and is an avid alpine skier, mountain biker, and certified master diver. Mr. Bragg resides in Centennial, Colorado. He has written the following books:

Accountants' Guidebook	Cost Management Guidebook
Accounting Controls Guidebook	Credit & Collection Guidebook
Accounting Procedures Guidebook	Financial Analysis
Budgeting	Fixed Asset Accounting
Business Ratios Guidebook	GAAP Guidebook
CFO Guidebook	IFRS Guidebook
Closing the Books	Investor Relations Guidebook
Corporate Cash Management	Mergers and Acquisitions
Cost Accounting Fundamentals	New Controller Guidebook
Lean Accounting Guidebook	Payroll Management

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Preface

The process of locating, acquiring, and integrating another company is fraught with difficulties, resulting in many failed acquisitions. Similarly, the seller of a business may not know how to market it properly, or determine if a fair price is being offered. In *Mergers & Acquisitions*, we present a complete view of the acquisition process from the perspectives of the buyer and the seller.

In Chapter 1, we discuss the reasons why a business might want to engage in an acquisition. We then move on to a description of the acquisition process in Chapter 2, from the perspectives of the buyer and the seller. There is a side discussion in Chapter 3 about regulatory approvals for acquisitions, after which we return in Chapters 4 and 5 to the exit planning steps that a seller should pursue. Chapter 6 contains a lengthy discussion of the various methods used to value a business, while Chapter 7 addresses the concept of synergy. Chapter 8 covers the techniques used to engage in and block hostile takeover attempts. Chapters 9 through 13 cover the steps needed to complete an acquisition once the parties have decided to go forward with a deal. This includes due diligence, the types of payment and legal structures used in an acquisition, the legal documents used to purchase a business, and the integration process that occurs after the purchase is complete. In the final three chapters, we cover topics related to the acquisition process; this includes accounting for acquisitions, the personnel involved in acquisitions, and the use of reverse mergers.

You can find the answers to many questions about mergers and acquisitions in the following chapters, including:

- Which acquisition strategy should I follow?
- How does the auction process work?
- Do I need regulatory approval for an acquisition?
- How can I improve the value of a business that I want to sell?
- How do I set up a data room?
- What methods are available for valuing a business?
- How can I fend off a hostile takeover attempt?
- Which issues should I examine as part of the due diligence process?
- What are the advantages of a stock-for-stock exchange?
- How can I structure an acquisition to defer taxes?
- Which terms should I include in a letter of intent?
- How do I go about integrating an acquired business into my main business?
- How do I account for an acquisition?
- How can I use a reverse merger to take my company public?

Mergers & Acquisitions is designed for both professionals and students. Professionals can use it as a reference tool for engaging in acquisition transactions, while it provides students with an overview of the entire process. Given its complete coverage of the mergers and acquisitions topic, *Mergers & Acquisitions* may earn a permanent place on your book shelf.

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