

2019.HS

| Module Name: Turnaround Management | |
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| Module Code | w.BA.XX.2TM.XX |
| Module Description | The module enables the students to detect the symptoms of a financial crisis and to take appropriate measures in their role as either accounting professionals, consultants, or BOD-members to ensure that business may continue successfully. They have an understanding of the most common financial restructuring measures and are able to develop a basic turnaround plan. They also understand the main issues with regards to the applicable legal framework. In addition, students have an understanding of the role of banks in turnaround situations. |
| Program and Specialization | Business Administration - Accounting, Controlling, Auditing |
| Legal Framework | Academic Regulations BSc dated 29.01.2009, Appendix to the Academic Regulations for the degree programs in Business Administration, Business Information Technology, and Business Law, first adopted on 12.05.2009 |
| Module Category | Module Type: Compulsory |
| | Program Phase: Main Study Period |
| ECTS | 6 |
| Organizational Unit | W Institut für Financial Management |
| Module Coordinator | Felix Blaser (ble) |
| Deputy Module Coordinator | Jean-Marc Huber (hubj) |
| Prerequisite Knowledge | Accounting modules from semesters 1 – 5 |
| Contribution to Program Learning Goals (Affected by Module) | <ul style="list-style-type: none"> § Professional Competence § Methodological Competence § Social Competence § Self-Competence |
| Contribution to Program Learning Objectives | <ul style="list-style-type: none"> Professional Competence <ul style="list-style-type: none"> § Knowing and Understanding Content of Theoretical and Practical Relevance § Apply, Analyze, and Synthesize Content of Theoretical and Practical Relevance § Evaluate Content of Theoretical and Practical Relevance Methodological Competence <ul style="list-style-type: none"> § Problem-Solving & Critical Thinking § Scientific Methodology § Work Methods, Techniques, and Procedures § Information Literacy § Creativity & Innovation Social Competence <ul style="list-style-type: none"> § Written Communication § Oral Communication § Teamwork & Conflict Management § Intercultural Insight & Ability to Change Perspective Self-Competence <ul style="list-style-type: none"> § Self-Management & Self-Reflection § Ethical & Social Responsibility § Learning & Change |
| Module Learning Objectives | <p>Students...</p> <ul style="list-style-type: none"> § understand how a financial crisis materializes and develops. They also know how to detect early indications of a crisis. § gain an understanding of the legal framework applicable for turnaround situations in Switzerland. § understand the tax issues involved in such turnaround situations. § explain what a turnaround concept is and how such a concept is developed. § understand the functionality of restructuring measures and the pros and cons of each instrument with regards to liabilities and equity. § understand the issues surrounding bank financing in a turnaround situation. § have the opportunity to work in groups on dedicated cases and present their suggested solutions to the plenum. § learn to work autonomously in guided self study |

| Module Content | § Definition of financial crisis; development of a crisis; crisis model; the legal definition of a crisis and the legal framework; Art. 725 of Swiss Code of Obligations; non-liquidity and liability issues for the Board of Directors; issues of the legal framework for debt collection and foreclosure/execution; case studies. § The turnaround concepts: preparation and contents; ability vs. worthiness; stakeholder interests; overview of available financial restructuring measures; strategy analysis tools; case studies. § Financial restructuring measures --> equity side: capital increase; case studies. § Financial restructuring measures --> equity side: capital reduction; case studies. § Financial restructuring measures --> equity side: debt-equity-swap; revaluation of assets; Financial restructuring measures --> liability side: subordination agreements; re-engineering of terms and conditions; case studies. § Composition agreements and the new bankruptcy law; case studies. § Tax aspects of the restructuring process; loan agreements and collateral; case studies. § Credit assessment of a bank and rating; the debt capacity model; case studies. § The role of banks in the restructuring process; case studies. § Equity management with options; claim enforcement and execution; case studies. § Merger accounting; case studies. § Employment aspects of a restructuring; rescue companies; case studies. § Leasing in restructurings; case studies. | | | | | | | | | | | | | | | | | | | | | | |
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| Links to other modules | - | | | | | | | | | | | | | | | | | | | | | | |
| Methods of Instruction | § Lecture § Interactive Instruction § Case Studies § Exercises § Discussion § Presentation | Social Settings Used: § Individual Work § Pair Work § Group Work | | | | | | | | | | | | | | | | | | | | | |
| Digital Resources | § Teaching Videos § Teaching Materials § Case Studies (with Key) | | | | | | | | | | | | | | | | | | | | | | |
| Type of Instruction | Classroom Instruction | Guided Self-Study | Autonomous Self-Study | | | | | | | | | | | | | | | | | | | | |
| Large Class | 56 h | 52 h | | | | | | | | | | | | | | | | | | | | | |
| Small Class | - | - | | | | | | | | | | | | | | | | | | | | | |
| Group Instruction | - | - | | | | | | | | | | | | | | | | | | | | | |
| Practical Work | - | 32 h | | | | | | | | | | | | | | | | | | | | | |
| Seminar | - | - | | | | | | | | | | | | | | | | | | | | | |
| Total | 56 h | 84 h | 40 h | | | | | | | | | | | | | | | | | | | | |
| Performance Assessment | <table border="1"> <thead> <tr> <th>End-of-module exam</th> <th>Form</th> <th>Length (min.)</th> <th>Weighting</th> </tr> </thead> <tbody> <tr> <td>Written exam</td> <td>Closed book</td> <td>60</td> <td>100.00 %</td> </tr> <tr> <td>Permitted Resources</td> <td colspan="3">Approved calculator according to "Guidelines on Supplementary Materials"</td> </tr> <tr> <th>Others</th> <th>Assessment</th> <th>Length (min.)</th> <th>Weighting</th> </tr> <tr> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> </tbody> </table> | | | End-of-module exam | Form | Length (min.) | Weighting | Written exam | Closed book | 60 | 100.00 % | Permitted Resources | Approved calculator according to "Guidelines on Supplementary Materials" | | | Others | Assessment | Length (min.) | Weighting | - | - | - | - |
| End-of-module exam | Form | Length (min.) | Weighting | | | | | | | | | | | | | | | | | | | | |
| Written exam | Closed book | 60 | 100.00 % | | | | | | | | | | | | | | | | | | | | |
| Permitted Resources | Approved calculator according to "Guidelines on Supplementary Materials" | | | | | | | | | | | | | | | | | | | | | | |
| Others | Assessment | Length (min.) | Weighting | | | | | | | | | | | | | | | | | | | | |
| - | - | - | - | | | | | | | | | | | | | | | | | | | | |
| Classroom Attendance Requirement | - | | | | | | | | | | | | | | | | | | | | | | |
| Language of Instruction/Examination | English | | | | | | | | | | | | | | | | | | | | | | |
| Compulsory Reading | - | | | | | | | | | | | | | | | | | | | | | | |
| Recommended Reading | § Brealey, R. Principles of corporate finance. 6th edition. New York: McGraw-Hill/Irwin. ISBN 978-0071266758. § Besanko, D., Shanley, M., Schaefer, D. & Dranove, D. (2013). Economics of strategy. 6th edition. John Wiley + Sons. ISBN 978-0471679455. § PwC Accounting Guide to Bankruptcies and Liquidations (will be provided on Moodle) § PwC Accounting Guide to Consolidation Accounting and Equity Method (will be provided on Moodle) § PwC Accounting Guide to Business Combinations and Noncontrolling Interests (will be provided on Moodle) § PwC Accounting Guide to Loans and Investments; including Impairment Issues (will be provided on Moodle) § PwC Accounting Guide to Lease Accounting (will be provided on Moodle) | | | | | | | | | | | | | | | | | | | | | | |
| Comments | Recommended reading: Brealey/Myers: 6th edition or later. PwC Accounting Guides: To be used as a reference for specific clarifications | | | | | | | | | | | | | | | | | | | | | | |