

**Master Sciences de Gestion Administration des Affaires  
Année universitaire 2009-2010**

**Essai**

Matière : Mergers and Acquisitions – Strategic Games

Enseignant : Eric de Bodt

**Essai**

**Essai description**

Read in depth the paper of E. Akdogu (JFQA, forthcoming). The essai will consist of:

- a 2 pages summary of the model introduced by E. Akgogu;
- a 2 pages analysis of the model:
  - o What is the kind of equilibrium concept used?
  - o What is the kind of auction modeled by the author?
  - o How does the model developed by the author differ from a standard auction model?
  - o Do you consider that overbidding, in this setup, is rational? Motivate your answer.
  - o Provide a real case of M&A which is in our eyes a good example of application of the model developed by Akdogu.
- a 2 pages analysis of the consequence of introducing a positive reserve price into the model:
  - o What become the players' payoffs?
  - o What impact do you anticipate on the equilibrium outcomes?

**Reference**

E. Akdogu, Value-Maximizing Managers, Value-Increasing Mergers and Overbidding, Journal of Financial and Quantitative Analysis, forthcoming