

Valid from 2024.HS

Module description: Turnaround Management		
Module Code	w.BA.XX.2TM.XX	
ECTS Credits	6	
Language of Instruction/Examination	English	
Module Description	<p>This module enables students to identify the symptoms of a financial crisis and take appropriate action in their role as either accounting professionals, consultants, or BOD members to ensure that business can 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 regard to the applicable legal framework. In addition, students have an understanding of the role of banks in turnaround situations. On top of that, students also have an appropriate overview of international regulations and developments concerning complex turnaround topics.</p>	
Organizational Unit	IFI Ltg.	
Module Coordinator	Felix Blaser	
Deputy Module Coordinator	Jean-Marc Huber	
Program and Specialization	<ul style="list-style-type: none"> Business Administration - Specialization in Accounting, Controlling, Auditing 	
Legal Framework	<p>Academic Regulations BSc dated 29.01.2009, for the degree programs in Business Administration, International Management, Business Information Technology, Business Law, Business Law and Applied Law, first adopted on 12.05.2009</p>	
Module Category	Module Type Compulsory	Program Phase Main Study Period
Prerequisite Knowledge	Accounting modules from semesters 1 – 5	
Contribution to Program Learning Objectives (by the concerned Module)	<ul style="list-style-type: none"> Professional Competence Methodological Competence Social Competence Self-Competence 	
Contribution to Program Learning Objectives	<p>Professional Competence</p> <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 <p>Methodological Competence</p> <ul style="list-style-type: none"> Problem-Solving & Critical Thinking Scientific Methodology Work Methods, Techniques, and Procedures Information Literacy Creativity & Innovation <p>Social Competence</p> <ul style="list-style-type: none"> Written Communication Oral Communication Teamwork & Conflict Management Intercultural Insight & Ability to Change Perspective <p>Self-Competence</p> <ul style="list-style-type: none"> Self-Management & Self-Reflection Ethical & Social Responsibility Learning & Change 	

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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. • are able to describe the most widely implemented regulations on an international scale, focusing on US, UK, EU, and German regulations. They are able to explain similarities and differences to the Swiss regulations. 		
Module Content	<ul style="list-style-type: none"> • Definition of financial crisis; development of a crisis; crisis model; the legal definition of a crisis and the legal framework; Arts. 725 / 725a and 725b of the Swiss Code of Obligations; non-liquidity and liability issues for a 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 special provisions in 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 a restructuring; sale-and-lease-back transactions; case studies. • Introduction to international regulations of turnaround management, e.g., U.S. Chapter 11, German ESUG, UK pre-pacs, etc. • Special topics: >Stand-still agreements; > Bonds in the restructuring context; 		
Links to other modules	<p>This module is linked to the following modules:</p>		
Digital Learning Resources	<ul style="list-style-type: none"> • Teaching Materials • Practice and Application Exercises (with Key) • Case Studies (with Key) 		
Methods of Instruction	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%; vertical-align: top;"> <ul style="list-style-type: none"> • Case Studies • Interactive Instruction • Exercises • Literature Review • Lecture • Application Tasks • Discussion • Presentation </td><td style="width: 40%; vertical-align: top;"> <p>Social Settings Used:</p> <ul style="list-style-type: none"> • Group Work • Individual Work • Pair Work </td></tr> </table>	<ul style="list-style-type: none"> • Case Studies • Interactive Instruction • Exercises • Literature Review • Lecture • Application Tasks • Discussion • Presentation 	<p>Social Settings Used:</p> <ul style="list-style-type: none"> • Group Work • Individual Work • Pair Work
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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	End-of-module exam	Form	Length (min.)	Weighting			
	Written exam	closed book	60	100			
	Permitted Resources	Spec. calculator acc. to leaflet "Utilities"	With dictionary				
Others	Assessment	Length (min.)	Weighting				
-	-	-	-				
Classroom Attendance Requirement	Other						
	The exam will be held as a regular end-of-module exam.						
Compulsory Reading							
Recommended Reading	<ul style="list-style-type: none"> Besanko, D., Shanley, M., Schaefer, D. & Dranove, D. (2013). Economics of strategy. 6th edition. John Wiley + Sons. ISBN 978-0471679455. PwC Accounting Guide to Business Combinations and Noncontrolling Interests (will be provided on Moodle) PwC Accounting Guide to Lease Accounting (will be provided on Moodle) PwC Accounting Guide to Loans and Investments; including Impairment Issues (will be provided on Moodle) PwC Accounting Guide to Consolidation Accounting and Equity Method (will be provided on Moodle) PwC Accounting Guide to Bankruptcies and Liquidations (will be provided on Moodle) Brealey, R. Principles of corporate finance. 11th or later Edition. New York: McGraw-Hill/Irwin. ISBN 978-1-215-07415-9. 						
Comments	<p>Recommended reading: Brealey/Myers: 11th edition or later.</p> <p>PwC accounting guides: To be used as a reference for specific clarifications.</p>						