

<b>Course title: Due Diligence</b>		
<b>Lecturer: Jelica Eremić Đodić</b>		
<b>Course status: Elective, Third Semester</b>		
<b>ECTS: 12</b>		
<b>Requirements:</b>		
<b>Course aims:</b>		
<p>The aim is the comprehension and application of Due Diligence, as a state-of-the art accounting practice that expresses all the factors of business operations of a company and minimizes the risk of bad decision-making in mergers and acquisitions, as well as giving a financial analysis of a company. The focus is on the analysis of financial results, conditions and structure of an economy. Also, the students will be studying the legal, commercial and strategic aspects of Due Diligence.</p>		
<b>Course outcome</b>		
<p>The students will be trained to do the financial Due Diligence (which is the focal point of Due Diligence) that, in the form of a common denominator, which expresses all the factors of business operations of a company. Having in mind that financial reports of a target company are largely based on Due Diligence, the students will be enabled to diagnose the business and financial state of a company using the main indicators of success, derived from its financial reports. In this way, they will be able to, as potential business decision-makers on mergers and acquisitions, minimize the risk of harmful decisions.</p>		
<b>Course contents</b>		
<i>Theory classes</i>		
<ol style="list-style-type: none"> <li>1. Due Diligence (the concept, arguments, arguments for implementation, types, kinds, ways of structuring a Due Diligence program);</li> <li>2. Legal Due Diligence (legal Due Diligence program; the role of the legal Due Diligence in the establishment of potential obligations; the role of DD in finding legal and contract obstacles, the role of DD in setting the framework of a final contract);</li> <li>3. Strategic Due Diligence (the concept of corporate management, the role of DD of strategic management in the implementation of principles of corporate management of OECD; the role of DD of strategic management in the choice and evaluation of the company management);</li> <li>4. Commercial Due Diligence (analysis of the function of commercial DD after an acquisition; the role of commercial DD in the assessment and the strategic positioning of a joint company; the role of commercial DD in the assessment of competitiveness of a joint company);</li> <li>5. Financial Due Diligence of companies (financial outlook as the key foundation of the financial DD, a comprehensive analysis of a financial situation, conceptual generalization of the financial situation, the principle of creditor's protection, financial reports as the foundation of DD, financial DD according to the nomenclature used in international accounting standards, analysis of the difference between auditing and financial DD);</li> <li>6. Due Diligence of human resources;</li> <li>7. Due Diligence of environmental conservation.</li> </ol>		
<i>Practice classes</i>		
Presenting completed seminar papers, and work in small student groups on specific real-life examples.		
<b>Recommended Literature:</b>		
<ol style="list-style-type: none"> <li>1. Peter Howson, <i>Due diligence</i>, London, Gower Publishing Limited, 2005.</li> <li>2. Alexandra Reed Layoux, Charles Elson, <i>The Art of M&amp;A Due Diligence</i>, New York: Mc Graw – Hill, (2000).</li> <li>3. Patrick A. Gaughan, <i>Mergers, Acquisitions, and Corporate Restructurines</i>, John Wiley &amp; Sons, Inc. New York, 2004.</li> <li>4. Stephen Bourne, <i>Financial Due Diligence</i>, London: Pearson Education Limited, (2000).</li> <li>5. Vidaković, V. Slobodan, <i>Finansijski due diligence privrednih društava</i>, FABUS, Novi Sad, 2007.</li> <li>6. Peter Howson, <i>Checklists for Due Diligence</i>, 1st Edition, First Published 2008. by Gower Publishing, Published 2016, by Routledge</li> </ol>		
<b>Workload per week:</b>	Lectures: 3	Study research: 7
<b>Teaching methods:</b> Lectures, consultations, independent, and group work, dialogue, discussion groups.		
<b>Knowledge assessment:</b> Project outline – 20, Project writing – 50, Written and oral presentation of the project – 30 points.		