An acquirer has several choices when it comes to paying for the target. Explain in detail five factors that are likely to determine an acquirer’s choice of payment method. It is not sufficient to simply list points; you must explain how each factor determines the acquirer’s preference?

Jupiter Corp. is considering an acquisition of Mercury Inc., in which Mercury shareholders would receive $84.30 for each share of its common stock they own. Jupiter intends to pay for the acquisition using its stock but is concerned about the impact of a stock payment on post-merger EPS. Jupiter currently has 112 million shares outstanding, each trading at $56.25, while Mercury has 18.75 million shares outstanding, currently valued at $62.50 per share. In the year immediately before the merger, Jupiter’s net earnings totaled $281.50 million, while Mercury’s net earnings equaled $62.50 million. Jupiter estimates that Mercury’s net earnings will increase by 15% as a result of the merger while Jupiter’s net earnings will remain the same as in the pre-merger year. Determine whether the acquisition will be dilutive or accretive to EPS in the first year following closing.

**Please provide detailed answer in the next couple of hours.** **Please provide the answer in the Word doc. only**. **Thanks! ☺**