COURSE DESCRIPTION

University: Comenius University Bratislava	
Faculty: Faculty of Management	
Course ID: FM.KEF/300AM/16	**Course title:** Corporate Valuation II

Educational activities:
Type of activities: seminar
Number of hours:
per week: 2 **per level/semester:** 28
Form of the course: on-site learning

Number of credits: 3

Recommended semester: 2., 4.

Educational level: I., II.

Prerequisites:

Recommended prerequisites:
The prerequisite for this class is a passing grade in Introduction to Financial management and in Financial management. Another prerequisite for this class is in foundations of accounting and statistics. Therefore, it is expected that students will be comfortable with the following topics: Weighted Average Cost of Capital (WACC), Discounted cash flow model (DCF), Valuation Multiples, diversification, valuation of stocks - Dividend Discount Model (DDM), Capital Asset Pricing Model (CAPM), financial planning (AFN formula), financial ratios, Value Based Management, depreciation, standard deviation and correlation.

Course requirements:

Learning outcomes:
This is an advanced course in corporate valuation. The course has three main objectives:
1. Develop an understanding of the tools that are used to prepare complete DCF valuation model in MS Excel for publicly traded company.
2. Understand the advanced issues involved in how the evaluation process is working in real world.
3. Emphasis will be placed on appreciating the limitations and challenges that are analyst faced when applying the theoretical framework of Corporate Valuation.

Class syllabus:
• Introduction to financial modelling in MS Excel
• How to analyze industry trends?
• Financial analysis of a company
• FCF calculation, CAPEX&OPEX preparation
• DCF model preparation (financial plan)
• DCF model preparation (WACC, TV growth rates, FCF)
• Preparation of valuation model with using Valuation Multiples approach (analyzing data for industry and for company)
• Preparation of valuation model with using Valuation Multiples approach (calculation of values and interpreting results)
• Dividend Discount Model preparation (DDM)
• Case Study
• Case Study

Recommended literature:

1. T. Koller, M. Goedhart, A. Wessels.: Valuation Measuring and Managing the Value of Companies, 5th Edition, McKinsey & Company, Inc., 2010.
2. Brigham, E. F., Ehrhardt, M. C.: Financial Management, 14th Edition, Thomson, South-Western, 2014.
3. Hitchner, J. R.: Financial Valuation, Applications and Models, John Wiley & Sons, Inc., 2013.
4. Bloomberg Professional Terminal

Languages necessary to complete the course:

English

Notes:

We will use lecture notes and they will be distributed during the semester. The lecture notes are self-contained, thus, no textbook is required. For those of you who wish to use a textbook in addition to the class notes, I recommend that you use:
Brigham, E. F., Ehrhardt, M. C.: Financial Management, 14th Edition, Thomson, South-Western, 2014.
This textbook can be used as background reading for those of you who wish to read ahead of the lecture or dig deeper into the material. This textbook is available for purchase online at Amazon.com and it is also available at the FMUK Library.
There will be several cases studies in this course. The cases are intended to help you understand the course material and prepare you for your own project.
I will announce in class when you should start to prepare your own project and when the project solutions are due in class. The solutions for the project will be discussed in class. You can work alone or with other students on the project. However, you need to write up your own individual solution for your project and turn it in for credit. If you work with other students, note their names on your solution.
Please bring a PC to class. We will use MS Excel for calculation.
During the class we will use Bloomberg Professional Terminal as source of financial data.
Grading:
Problem and Cases Sets: 30%
Project: 70%

Past grade distribution

Total number of evaluated students: 84

A	ABS	B	C	D	E	FX	M
75,0	0,0	11,9	10,71	2,38	0,0	0,0	0,0

Lecturers: Mgr. Martin Vozár, PhD.

Last change: 08.10.2021

Approved by: