

# Course Specifications

Valid in the academic year 2018-2019

Course size (nominal values; actual values may depend on programme)  
Credits 4.0 Study time 120 h Contact hrs 45.0 h

Course offerings in academic year 2018-2019

Lecturers in academic year 2018-2019

Offered in the following programmes in 2018-2019 crdts offering

Teaching languages

English

Keywords

Corporate finance, business valuation, discounted cash flow, multiples, real options

Position of the course

This course focuses on business valuation. It does not focus on the valuation of instruments, markets or investing.

Contents

In this course, we cover the principles of business valuation. We cover four families of valuation methods, including book value methods (e.g., adjusted book value), intrinsic valuation (e.g., discounted cash flow methods), relative valuation (e.g., multiples) and contingent claim valuation (e.g., real options). The course is a specialized course in that we move from 'common practice' to 'best practice' when valuing businesses and focus on more advanced (or often ignored but critical) valuation topics, including dealing with valuations in different currencies, complex multi-business firms, operating leases, R&D expenses, financial distress...

Initial competences

Corporate finance

Final competences

- 1 Understand the building blocks of a good valuation
- 2 Apply appropriate business valuation methods in different contexts
- 3 Develop a critical look on business valuation cases
- 4 Present a sound business valuation case to academics and industry professionals

Conditions for credit contract

Access to this course unit via a credit contract is determined after successful competences assessment

Conditions for exam contract

This course unit cannot be taken via an exam contract

Teaching methods

Lecture, integration seminar, seminar: coached exercises

Extra information on the teaching methods

We use a combination of teaching methods, including traditional lectures, discussion of cases and conducting a valuation of a real-life company with a question and answer session with valuation experts.

Learning materials and price

Slides

## References

Damodaran, A. (2016). Damodaran on valuation: Security analysis for investment and corporate finance (Vol. 324). John Wiley & Sons.

## Course content-related study coaching

Both the instructor and an assistant are available to provide feedback to students. Students can post questions on Minerva and there will be office hours.

## Evaluation methods

end-of-term evaluation and continuous assessment

## Examination methods in case of periodic evaluation during the first examination period

Written examination with multiple choice questions

## Examination methods in case of periodic evaluation during the second examination period

Written examination with multiple choice questions

## Examination methods in case of permanent evaluation

Assignment, simulation, peer assessment

## Possibilities of retake in case of permanent evaluation

examination during the second examination period is possible in modified form

## Extra information on the examination methods

The final grade is determined by two case studies (50%) and written exam (50%). The first case study is a group project on valuation of a fictive company (15%; report + peer evaluation). The second case study (35%) is a group project on the valuation of a real-life company. You will have to hand in a valuation report on your valuation analysis and present your valuation analysis. Your grade for the case study is based on a group grade adjusted by your peer evaluation score and performance during the presentation. You will present your case in front of a jury comprising academics and practitioners specialized in business valuation. The exam is multiple choice (with standard setting).

## Calculation of the examination mark

Permanent evaluation (50%)

End-of-term evaluation (50%)

## Facilities for Working Students

Possible after contacting the instructor before the first lecture