



## Financial Statements Analysis & Business Valuation

## Syllabus

This course provides an in-depth examination of the methods and practices used in the valuation of businesses. Students will explore valuation techniques, learn to apply these methods to different business contexts, and understand the theoretical foundations behind valuation models. Valuation with Eval software (© Russell Lundholm and Richard Sloan).

**Teaching material:** «Equity valuation and analysis», Russell Landholm, Richard Sloan, self-edited.

### Schedule:

Week	Topics
1	<b>Introduction to business valuation</b> <ul style="list-style-type: none"><li>• Overview of business valuation</li><li>• Importance and purpose of valuation</li><li>• Basic concepts and terminology</li></ul>
2	<b>Valuation framework and principles</b> <ul style="list-style-type: none"><li>• Valuation framework</li><li>• Key principles of valuation</li><li>• Factors influencing business value</li></ul>
3	<b>Discounted cash flow analysis I</b> <ul style="list-style-type: none"><li>• Concept and importance of DCF</li><li>• Free cash flow to the firm (FCFF)</li><li>• Free cash flow to equity (FCFE)</li></ul>
4	<b>Discounted cash flow analysis II</b> <ul style="list-style-type: none"><li>• Estimating discount rates (WACC, cost of equity)</li><li>• Terminal value calculation</li><li>• Sensitivity analysis in DCF</li></ul>
5	<b>Valuation methods I</b> <ul style="list-style-type: none"><li>• Price-to-Earnings (P/E) ratio</li><li>• Enterprise Value to EBITDA (EV/EBITDA) ratio</li><li>• Price-to-Book (P/B) ratio</li></ul>
6	<b>Valuation methods II</b> <ul style="list-style-type: none"><li>• Selecting comparable companies</li><li>• Adjusting multiples for differences</li><li>• Application and limitations of relative valuation</li></ul>
7	<b>Asset based valuation methods</b> <ul style="list-style-type: none"><li>• Book value vs. market value</li><li>• Liquidation value</li></ul>



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		<ul style="list-style-type: none"><li>• Replacement cost method</li></ul>
8	<b>Option pricing models</b>	<ul style="list-style-type: none"><li>• Introduction to real options</li><li>• Black-Scholes model</li><li>• Application of option pricing in business valuation</li></ul>
9	<b>Valuation of intangible assets</b>	<ul style="list-style-type: none"><li>• Identifying intangible assets</li><li>• Methods for valuing intangible assets</li><li>• Impact of intangibles on overall business valuation</li></ul>
10	<b>Valuation in Mergers and Acquisitions</b>	<ul style="list-style-type: none"><li>• Strategic considerations in M&amp;A valuation</li><li>• Synergy assessment</li><li>• Valuation in hostile vs. friendly takeovers</li></ul>
11	<b>Start-ups valuation</b>	<ul style="list-style-type: none"><li>• Challenges in valuing start-ups</li><li>• Venture capital methods</li><li>• Adjusting valuation techniques for high-growth scenarios</li></ul>
12	<b>Ethical issues in valuation</b>	<ul style="list-style-type: none"><li>• Professional standards and best practices</li><li>• Avoiding valuation pitfalls</li></ul>

**Assessment:** 1-10 units (100%) team valuation project with interim deadlines weekly.

**Philip Fisher:** "The stock market is filled with individuals who know the price of everything, but the value of nothing."