INTRODUCTION

Business Valuation
This course teaches you how to value public and private companies through a case study approach. It covers the different methodologies and focuses on the Discounted Cash Flow (DCF) method as participants build a DCF analysis for an actual acquisition, using each component of the DCF model: projected free cash flows, Weighted Average Cost of Capital (WACC) and terminal value. The course also covers Multiple valuation, net asset valuation and real-options, which are used to improve the base case valuation.

We will also present the activity related to mergers, acquisitions, LBO, MBO, and the different corporate actions.

AIMS

After completing this course the participant will be able to:
To choose appropriate capital budgeting techniques and correctly apply methods in problem solving and case analysis by identification of relevant cash flows, costs, and salvage values.
To accurately compute cost of capital and perform weighted average costing computations, given relevant data.
To determine/discover and explain the appropriate/optimum capital structure of the firm given refinancing requirements and company/market data.
To understand and apply corporate valuation techniques in identifying estimated market values and intrinsic values of the firm when provided with appropriate data and information.
To choose from among several long-term financing alternatives and justify choices for mergers, acquisitions, and other opportunities, using appropriate analytical techniques and methods.

METHODOLOGY

The course content will be presented almost exclusively through the discussion of case studies. Participants are encouraged to review their learning of Financial Planning and Investment Analysis before attempting to prepare the cases. Basic theory can be found in the Technical Notes handed out and in the Chapters recommended in the Class Plan.
Participants are expected to prepare cases PRIOR to class sessions where they will be discussed.

EVALUATION

Each participant will be evaluated according to the acquired knowledge on the pertinent subject and the quality and consistency of their participation. 30% of the final grade will be based on the final exam and 30% will be awarded to Group Studies. The other 40% will be based on the quality and consistency of the participation. No matter how high the evaluation on the participation may be, in order to get a passing grade on the subject, the participant needs to pass the written part of the evaluation.
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