

## 27529 - Company Valuation

### Syllabus Information

**Academic year:** 2023/24

**Subject:** 27529 - Company Valuation

**Faculty / School:** 109 - Facultad de Economía y Empresa

**Degree:** 449 - Degree in Finance and Accounting

**ECTS:** 6.0

**Year:** 4

**Semester:** First semester

**Subject type:** Compulsory

**Module:**

### 1. General information

The main goal of this subject is for the student to master the mechanisms, processes and indicators necessary for the valuation of companies, as well as their suitability, depending on the type of company and the particularities presented in each case.

It aims to identify and understand the factors that affect the value of companies and to know the measures of value creation for economic agents in order to support management decisions.

These approaches and goals are aligned with the Sustainable Development Goals (SDGs) of the United Nations Agenda 2030 (<https://www.un.org/sustainabledevelopment/es/>), specifically, the activities planned in the subject will contribute to the achievement of goals 4. Quality education, 8. Decent work and economic growth and 16. Peace, justice and solid institutions.

### 2. Learning results

The student, in order to pass this subject, must demonstrate the following results:

1. To understand the concept of value from an economic-financial point of view.
2. Master the fundamentals of business valuation.
3. To know the most commonly used company valuation methods.
4. To raise and solve problems of valuation of companies in different situations, such as minority shareholdings, mergers, acquisitions, privatizations, etc.
5. Identify and understand the factors that affect the value of the company and know the measures of value creation.
6. Learn how to manage the resources of a company, based on the management of its value, to ensure the survival of the entity in the long term.

### 3. Syllabus

Chapter 1. Fundamentals of economic valuation

Chapter 2. Valuation in accounting regulations

Chapter 3. Fundamentals of business valuation

Chapter 4. Equity-based methods

Chapter 5. Goodwill-based or mixed methods

Chapter 6. Discounted cash flow based methods

Chapter 7. Comparative methods or by multiples

Chapter 8. The valuation report

Chapter 9. Value-based management

Chapter 10. Value generators

Chapter 11. EVA/VMA method

### 4. Academic activities

Master classes: 30 hours. Classroom explanation of the theoretical contents.

Practical classes: 30 hours. Realization of case studies using Excel.

Personal Study: 85 hours

Assessment tests. 5 hours

6 ECTS = 150 hours

In principle, the teaching methodology and its evaluation is planned to be based on face-to-face classes . However, if circumstances so require, they may be carried out online.

## 5. Assessment system

### **Continuous assessment:**

Theory: Three multiple-choice quizzes on chapters 1-3, 4-7, 8-11. Each test will have a weight of 10% of the final grade.

Practical: two tests, chapters 1-8, 9-11, consisting of solving practical cases through excel. Each test will have a weight of 25% of the final grade.

Case study on the valuation of a listed company, in the form of a deliverable. It will have a weight of 20% of the final grade.

### **Global Assessment:**

It will be done through a questionnaire with multiple-choice questions whose result will have a weight of 30% of the final grade and practical cases to be carried out in Excel, the result of which will have a weight of 70% of the final grade.

The grade of the **first call** will be the result of the continuous evaluation for those who have passed the subject by this means, or of the global evaluation in this call. In case of presenting to both, it will be the highest qualification of both.

The grade of the **second call** will be the one obtained in the global evaluation test of that call with the criteria indicated above (30% theory and 70% practice).

### **Assessment Criteria:**

Theory through multiple-choice questionnaires: correct completion of the questionnaires.

Practice through practical cases in Excel: correct resolution of these practical cases, following the procedure explained during the practical class sessions.

Practical case of valuation of a listed company: effort in the explanation of the company and its activity, analysis of its financial statements, application of the valuation methods and sensitivity analysis in value management, all in accordance with the indications given in class and in the work guide, and clarity and precision in the presentation of the video delivered with the Excel and the pdf of the work.