



GRA 6538 Applied Valuation

Studium

Master of Science in Business, Master of Science in Business (Finance), Master of Science in Management, Master of Science (Financial Economics), Siviløkonomstudiet (spesialisering), Specialization Course

Kursansvarlig

Bruno Gerard

Institutt

Finansiell økonomi

Semester

Se studieplan for aktuelt studium

Studiepoeng

6

Mål

Improve the student's ability to carry out real-world valuations of a project, of a firm and/or of its component securities. The practical applicability of the classic valuation models will be explored, including the potential for generating a firm's free cash flow from financial statements, and for quantifying competitive advantage and corporate governance costs. While financial assets will not be neglected, particular emphasis is put on corporate valuations in the context of mergers and acquisitions and on the valuation of long-lived non-financial assets, such as production plants, petroleum fields, and start-up biotech firms

Forkunnskaper

GRA 6533 Theory of Finance or GRA Applied Finance or equivalent

Obligatorisk litteratur

Benninga, Simon Z. and Oded H. Sarig. 1997. *Corporate finance. A valuation approach*. New York: McGraw-Hill.

Anbefalt litteratur

Students are required to read and work with one of the three following books. The choice of the book is left to the student.

Copeland, Thomas E., Tim Koller and Jack Murrin. 2000. *Valuation: Measuring and managing the value of companies*. 3rd ed. New York: Wiley.

Or:

Boquist, John A., Milbourn, Todd T. and Anjan V. Thakor. 2000. *The value sphere: Secrets of creating and retaining shareholder wealth*. Bloomington, Ind.: VIA Press. Or:

Damodaran, Aswath. 2002. *Investment valuation: Tools and techniques for determining the value of any asset*. 2nd ed. New York: Wiley.

Emneoversikt

The course is organized as follows

- Brief review and extension of building blocks from other finance courses
- Constructing a financial model of the firm and pro-forma financial statements
- Exploring the firm's past performance and future competitive environment
- The cost of capital under modern capital structure theories
- Estimating residual value
- The multiplier approach to valuation
- Valuing equity, debt and executive stock options
- Valuation for corporate acquisitions and divestitures.

- Project valuation and real options.

Dataverktøy

Extensive use of Excel spreadsheets for case solution

Gjennomføring

Lectures and case discussions

Eksamen

Your course grade will be based on the following activities and weights:

60% Class work (in the form of a mix of some/ all of the following: hand in of case write ups, projects, and homeworks; case presentations and discussions as well as class participation).
40% exam (two hours)

Since the major fraction of the course grade is based on class work and in particular on class participation and case presentations and discussions, class attendance is mandatory.

Specific Information regarding any aspect of student evaluation will be provided in class. It is the student's responsibility to obtain this information. Please note that it is the students responsibility to obtain any information provided in class that is not included on the course homepage/Blackboard or text book. Homepages and/or Blackboard are not designed for the purpose of students who choose not to attend class.

Eksamenskode(r)

GRA65383 class work and exam accounts for 100 % of the final grade in the course GRA 6538.

Hjelpemidler til eksamen

Calculator

Kontinuasjon

At the next ordinary exam