



APPLIES TO ACADEMIC YEAR 2008/2009

## GRA 6260 Business Analysis and Valuation

### Program

Master in Public Accounting

### Responsible for the course

Sverre Dyrnes

### Department

Department of Accounting - Auditing and Law

### Term

According to study plan

### ECTS Credits

6

### Language of instruction

Norwegian

One important purpose of the financial accounts is to provide users with relevant and correct information about a company's profit and financial position. There are two main groups of users who in particular use the financial accounts as an essential source of information: owners and creditors. The owners use the financial accounts for analysis and valuation purposes, while the creditors use the accounting data in their credit rating. It is crucial for the auditor to have a good understanding of the information requirements in relation to these purposes. It is also crucial to discuss the concept of accounting quality from a user's viewpoint. In addition, many of the techniques discussed in this course may be used in the auditor's own risk assessment.

### Learning outcome

The course aims to provide a systematic framework for how accounting information may be processed, interpreted and applied in various decision situations. Furthermore, the aim is to give students a detailed insight into various valuation models, and by working on cases the students will have the opportunity to apply interdisciplinary insights into various valuation situations.

### Prerequisites

Mandatory courses in strategy, finance and accounting at a bachelor level.

### Compulsory literature

#### Books:

Gjesdal, Frøystein & Thore Johnsen. 1999. Kravsetting, lønnsomhetsmåling og verddivurdering. Oslo: Cappelen akademisk forl  
Penman, Stephen H.. 2007. Financial statement analysis and security valuation. 3rd ed. Boston: McGraw-Hill/Irwin

### Recommended literature

#### Books:

Koller, Tim; Marc Goedhart and David Wessels. 2005. Valuation: Measuring and managing the value of companies. 4th ed. Hoboken, N.J.: Wiley  
Palepu, Krishna G., Paul M. Healy, Victor L. Bernard. 2008. Business analysis & valuation: Using financial statements: Text & cases. 4th ed. Mason, Ohio : Thomson/South-Western

### Course outline

- Accounting and performance quality
- The relationship between generally accepted accounting practice and crucial user requirements
- Analysis of equity development
- Analysis of profit and loss account and balance sheet
- Analysis of cash flows
- Analyses of key figures
- Growth analyses
- Forecasts
- Valuation models
- Stipulation of the required rate of return
- Analysis of credit risk

**Computer-based tools**

Excel and financial calculator

**Course structure**

36 hours of lectures, teamwork, discussions and student presentations.

**Evaluation**

During the semester the students shall in groups (max. 3 students in a group) hand in three mandatory papers. These papers will count 60% of the final grade. A 3-hour written examination is held at the end of the semester, which counts 40% of the final grade.

Specific Information regarding student evaluation will be provided in class. Please note that while attendance is not compulsory in all courses, it is the student's responsibility to obtain any information provided in class that is not included on the course homepage/Blackboard or text book

**Evaluation code(s)**

GRA 62601 accounts for 100 % of the final grade in the course GRA 6260.

**Aids at the examination**

BI-approved exam calculator. Exam aids at written examinations are explained under exam information in our web-based Student handbook. Please note use of calculator and dictionary. <http://www.bi.edu/studenthandbook/examaids>

**Makeup exam**

Re-takes are only possible at the next time a course will be held. When the course evaluation has a separate exam code for each part of the evaluation it is possible to retake parts of the evaluation. Otherwise, the whole course must be re-evaluated when a student wants to retake an exam. Retake examinations entail an extra examination fee.

**Honor code**

Academic honesty and trust are important to all of us as individuals, and represent values that are encouraged and promoted by the honor code system. This is a most significant university tradition. Students are responsible for familiarizing themselves with the ideals of the honor code system, to which the faculty are also deeply committed.

Any violation of the honor code will be dealt with in accordance with BI's procedures for cheating. These issues are a serious matter to everyone associated with the programs at BI and are at the heart of the honor code and academy integrity. If you have any questions about your responsibilities under the honor code, please ask.