



APPLIES TO ACADEMIC YEAR 2015/2016

GRA 6210 Business Analysis and Valuation Using Financial Statements

Programme

Master of Science in Business, Master of Science in Business (Business Law - Tax and Accounting),
Specialization Course

Responsible for the course

Sverre Dyrnes, Hans Robert Schwencke

Department

Department of Accounting - Auditing and Business Analytics

Term

According to study plan

ECTS Credits

6

Language of instruction

English

Introduction

Development of analyst skills entails understanding the concepts and procedures underlying generally accepted accounting principles used to prepare financial information, and for that reason some time is spent on reinforcing your knowledge of these principles. However, our primary emphasis is on valuations based on this financial information. This course provides both a sound theoretical framework for corporate valuation and a thorough discussion of how valuations are actually done in the real world.

In this course we will present the theory behind the valuation methods. We will also discuss the many different sources from which analysts can obtain information.

Equity analysis is an important task for research analysts, investment bankers, corporate finance specialists, mergers and acquisitions analysts, venture capitalists, and individual investors. Credit analysis is an important task for holders of debt.

Learning outcome

The objective of this course is to help the student develop the skills necessary to do valuations and credit analysis

Prerequisites

GRA 6212 Financial Reporting and Analysis or equivalent

All courses in the Masters programme will assume that students have fulfilled the admission requirements for the programme. In addition, courses in second, third and/or fourth semester can have specific prerequisites and will assume that students have followed normal study progression. For double degree and exchange students, please note that equivalent courses are accepted.

Compulsory reading

Books:

Palepu, Krishna G., Paul M. Healy, Erik Peek. 2013. Business analysis and valuation : IFRS edition. 3rd ed. Cengage Learning

Penman, Stephen H. 2013. Financial statement analysis and security valuation. 5th ed., International ed. McGraw-Hill. Ch. 4-7 and 10

Other:

During the course there may be hand-outs and other material on additional topics relevant for the course and the examination.

Recommended reading

Books:

Koller, Tim, Marc Goedhart, David Wessels. 2015. Valuation : measuring and managing the value of companies. 6th ed. Wiley

Pinto, Jerald E. ... [et al.]. 2010. Equity asset valuation. 2nd ed. John Wiley & Sons

Course outline

1. Accounting-, Financial-, Credit- and Prospective Analysis
2. Valuation using Price Multiples and Discounted Cash Flow Models
3. Valuation using Residual Income Valuation Models

4. Valuation and Active Investing

Computer-based tools

Not applicable

Learning process and workload

A course of 6 ECTS credits corresponds to a workload of 160-180 hours.

There will be a mixture of lectures and case presentations/discussions. At the start of the course the students will be allocated to teams consisting of 3-5 students. During the course the teams will be required to work with and to present case solutions.

For all students to obtain maximum benefit from this class it is essential that each student participates. Please check It's learning before the start of the course to get the schedule. The course starts immediately at the beginning of the semester.

Please note that while attendance is not compulsory in all courses, it is the student's own responsibility to obtain any information provided in class that is not included on the course homepage/It's learning or text book.

Examination

The course grade will be based on the following activities:

- Individual and/or group class work (continuous assessment)
- Written final term paper

Form of assessment	Weight	Group size

Specific information regarding student assessment will be provided in class. This information may be relevant to requirements for term papers or other hand-ins, and/or where class participation can be one of several components of the overall assessment. This is a course with continuous assessment (several exam components) and one final exam code. Each exam component is graded using points on a scale from 0-100. The final grade for the course is based on the aggregated mark of the course components. Each component is weighted as detailed in the course description. Students who fail to participate in one/some/all exam components will get a lower grade or may fail the course. You will find detailed information about the points system and the mapping scale in the student portal @bi.

Examination code(s)

GRA 62105 - Individual and/or group class work (continuous assessment) is graded pass/fail

GRA 62106 - Individual written final term paper accounts for 100 % of the final grade in the course GRA 6210.

Both evaluations must be passed in order to get a grade in the course.

Examination support materials

Not applicable

Permitted examination support materials for written examinations are detailed under examination information in the student portal @bi. The section on support materials and the use of calculators and dictionaries should be paid special attention to.

Re-sit examination

It is only possible to retake an examination when the course is next taught. The assessment in some courses is based on more than one exam code. Where this is the case, you may retake only the assessed components of one of these exam codes. All retaken examinations will incur an additional fee. Please note that you need to retake the latest version of the course with updated course literature and assessment. Please make sure that you have familiarised yourself with the latest course description.

Additional information

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 academic integrity. If you have any questions about your responsibilities under the honor code, please ask.