

# Corporate Valuation (including Budgeting & Private Equity) Course Descriptor

Course Code	FELBUSI7211	Discipline	Business
UK Credit	30	US Credit	
FHEQ Level	Level 7	Date Approved	
Core Attributes			

## Course Overview

Students are introduced to the concept of enterprise value in contrast to equity value, analysing the 'bridge' between the two. Students take a deep dive into the complex adjustments required for non-core assets, equity investees, pensions and non controlling interest. The analysis will frequently focus on real companies, integrating live financial data from Felix, ensuring the analysis, conclusion recommendations remain relevant in a rapidly changing sector.

## Learning Outcomes

On successful completion of the course, students will be able to:

### Knowledge and Understanding

- K1d Critically evaluate the relevance of comparables with a peer group, selecting the most relevant comparable companies from an operational, financial & Environmental, Social, and Governance (ESG) perspective for the purpose of corporate valuation.
- K3d Critically analyse the value items included in the Equity Value to Enterprise Value bridge.
- K3d Demonstrate an understanding of how to build a discounted cash flow valuation from a complex financial model.

### Subject Specific Skills

- S1d Demonstrate an understanding of the Weighted Average Cost of Capital (WACC) calculation and make value judgements on its inputs.

- S2d Apply a systematic operational, financial and Environmental, Social & Governance (ESG) approach to filtering and selecting the most appropriate transactions, based on the drivers of company value for the purpose of corporate valuation and to solve complex business problems..
- S3d Create and communicate the key messages for a valuation football field in a concise and coherent way.

### Transferable and Employability Skills

- T1d Display a comprehensive understanding of terminology, demonstrating the ability to articulate solutions to complex problems clearly and accurately in a format appropriate to both specialist and non specialist audiences.
- T3d Consistently display an excellent level of technical proficiency in written English and command of scholarly terminology, so as to be able to deal with complex issues in a sophisticated and systematic way.

## Teaching and Learning

This course is complimented by Felix, from Financial Edge. Students join 15,000 other users on Wall Street, and have instant access to over 2,500 precise instructor-led videos using Financial Edge's powerful search system. The library grows each week and covers a wide range of topics, from fundamentals to the more advanced. Students can save videos, and build their own library.

Faculty hold regular 'office hours', which are opportunities for students to drop in or sign up to explore ideas, raise questions, or seek targeted guidance or feedback, individually or in small groups.

Faculty are:

- On campus 2 days a week.
- Students are able to access faculty 24 hours a day, 7 days a week via the Felix platform, with a 48 hour response time.
- Students are able to raise questions directly to faculty through Financial Edge's Virtual Learning Environment.

Students are to attend and participate in all the scheduled teaching and learning activities for this course and to manage their directed learning and independent study.

Indicative total learning hours for this course: 300

## Assessment

Both formative and summative assessment are used as part of this course, with purely formative opportunities typically embedded within interactive teaching sessions, office hours, and/or the VLE.

### Summative Assessments

AE:	Assessment Activity	Weighting (%)	Duration	Total Length
1	Portfolio 1	35%	4 hours	4,000 words
2	Portfolio 2	35%	4 hours	4,000 words
3	Exam	30%	2 hours	2,000 words

### Learning outcomes assessed

#### Portfolio 1

- Critically analyse the value items included in the Equity Value to Enterprise Value bridge.
- - Demonstrate an understanding of how to build a discounted cash flow valuation from a complex financial model.
- Demonstrate an understanding of the Weighted Average Cost of Capital (WACC) calculation and make value judgements on its inputs.
- Display a comprehensive understanding of terminology, demonstrating the ability to articulate solutions to complex problems clearly and accurately in a format appropriate to both specialist and non specialist audiences.
- Consistently display an excellent level of technical proficiency in written English and command of scholarly terminology, so as to be able to deal with complex issues in a sophisticated and systematic way.

#### Portfolio 2

- Critically evaluate the relevance of comparables with a peer group, selecting the most relevant comparable companies from an operational, financial & Environmental, Social, and Governance (ESG) perspective for the purpose of corporate valuation.
- Apply a systematic operational, financial, and Environmental, Social & Governance (ESG) approach to filtering and selecting the most appropriate transactions, based on the drivers of company value, for the purpose of corporate valuation, and to solve complex business problems..
- Create and communicate the key messages for a valuation football field and a concise and coherent way.

- Display a comprehensive understanding of terminology, demonstrating the ability to articulate solutions to complex problems clearly and accurately in a format appropriate to both specialist and non specialist audiences.
- Consistently display an excellent level of technical proficiency in written English and command of scholarly terminology, so as to be able to deal with complex issues in a sophisticated and systematic way.

## Exam

- Critically analyse the value items included in the Equity Value to Enterprise Value bridge.
- Demonstrate an understanding of how to build a discounted cash flow valuation from a complex financial model.
- Critically evaluate the relevance of comparables with a peer group, selecting the most relevant comparable companies from an operational, financial and Environmental, Social and Governance (ESG) perspective for the purpose of corporate valuation.
- Demonstrate an understanding of the Weighted Average Cost of Capital (WACC) calculation and make value judgements on its inputs.
- Apply a systematic operational, financial, and Environmental, Social & Governance (ESG) approach to filtering and selecting the most appropriate transactions, based on the drivers of company value for the purpose of corporate valuation, and to solve complex business problems.

Further information about the assessments can be found in the Course Syllabus.

## Feedback

Students will receive formative and summative feedback in a variety of ways, written (e.g. marked up on assignments, through email or the VLE) or oral (e.g. as part of interactive teaching sessions or in office hours).

## Indicative Reading

Note: Comprehensive and current reading lists are produced annually in the Course Syllabus or other documentation provided to students; the indicative reading list provided below is for a general guide and part of the approval/modification process only.

## Indicative Topics

Note: Comprehensive and current topics for courses are produced annually in the Course Syllabus or other documentation provided to students; the indicative topics provided below are used as a general guide and part of the approval/modification process only.

- Students are introduced to the concept of enterprise value (operational value) in contrast to equity value. A simple set of multiples is calculated to illustrate why enterprise value multiples are unaffected by leverage.
- Students put together a set of trading comparables using underlying source documents and market data. At least one company is completed in class and the rest of the peer group are assigned as homework.
- Students update a set of transaction comparables and premiums paid for the target sector using source data from recent transactions.
- Using the trading comparable information, students prepare a grid of Weighted Average Cost of Capital (WACC) estimates for the different case companies.
- Using the financial forecast prepared during the modelling module and the completed Weighted Average Cost of Capital (WACC) analysis, students prepare a discounted cash flow valuation for the target company.
- Using the output of the various valuation methodologies, students prepare a football field summary for the pitch book. Students are required to defend their valuation ranges.

<b>Title: FELBUSI7211 Corporate Valuation (including Budgeting &amp; Private Equity)</b>					
<b>Approved by: Academic Board</b>					
<b>Location: Academic Handbook/Programme Specifications/Postgraduate</b>					
<b>Version number</b>	<b>Date approved</b>	<b>Date published</b>	<b>Owner</b>	<b>Proposed next review date</b>	<b>Modification (As per AQF4) &amp; category number</b>
1.0			Dr Marianna Koli		