

ОТРАСЛЕВАЯ ОЦЕНКА СТОИМОСТИ

2020

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Course description

This course provides broad view of corporate finance from the practical view and valuation companies in different industries. It delivers comprehensive theoretical knowledge and understanding of how to use it in practice.

The classes will be based on active interaction with students and everyone is appreciated to participate in the discussions and simulations. Moreover, the course consists of numerous tests and quizzes, which will also contribute to better understanding of main approaches, methods and concepts, connected with corporate finance.

The course involves a lot of team work – the students will be given the opportunity to assess the value of one of the Russian companies. During this group project the students will obtain real practice of company's valuation, learn how to work in teams and acquire presentations skills.

Course requirements, grading, and attendance policies

The course grade will be based on the group project (30%), 2 cases (30%) and final exam (40%).

Course contents

	Class		
1-2	(1) Introduction and Company's financial structure	(1) Role and basic knowledge of finance and business: Assets and Liabilities, Profit and Losses. Sources of company's growth, types of funding, capital base. <u>Team Work</u> : mini-cases Factors affecting company's value.	Before the 2-nd lecture: [0] https://www.coursera.org/learn/finansy-company/#syllabus Home task: Case «Magnit» <u>Deadline до 24-00 26.01.2020</u>
	(2)	(2): Industry Value	Before the 3-d lecture: Home task: Group project (part 1 + part 2) <u>Deadline до 24-00 02.02.2020</u>

	Industry Value Drivers	<p>Drivers: IT, Retail, Building Construction, Telecommunication and Air Transportation industries.</p> <p>The word is changing Digitalization and transformation</p> <p>Cases: AMAZON vs OZON vs Вкусвилл <u>Simulation</u>: Company's finance How investors make decisions?</p>	<p><u>Additional reading:</u> [1] Part 9, Chapters: Financial analyses; Financial Planning; Working Capital Management [1] Part 1, Chapters: How to calculate value; Valuing bonds; The value of common stocks.</p>
3 -4	DCF model and Comparable methods	<p>CFO, CFI, CFF. Capital structure. Capital Asset Pricing Model and Weighted Average Cost of Capital.</p> <p>Cash flows in industries: Operating, Investing, Financing. Deviations between reported and actual cash flows. Main financial statements and factors influencing the investors' decisions. The interconnection between them. <u>Quiz</u> Types of investing projects. Efficiency ratios of projects: NPV, Payback period, IRR, Accounting rate of return, PI <u>Case</u>: Valuation of investment project</p>	<p>Before the 3-4 lecture:</p> <ul style="list-style-type: none"> - https://youtu.be/UTUVgGbX3Uk (WACC, cost of equity, cost of debt): - https://youtu.be/av4FDxLcyNw (FCF for DCF/DDM) - https://youtu.be/hCGn1ejYs1l (on TV and g in DCF/DDM) - https://youtu.be/laPNT0mcpm8 (on Multiple Valuation and most common questions) <p>Home task: Group project (part 3) Deadline до 24-00 09.02.2020 Group project (part 4) (Deadline до 24-00 16.02.2020)</p> <p>Before the 5 lecture: Home task: Case FB/WhatsApp Deadline до 24-00 16.02.2020</p> <p><u>Additional reading:</u> [1] Part 1, Chapters: Net Present Value and Other Investment Criteria; Making Investment Decisions with the Net Present Value Rule [1] Part 2, Chapters: Introduction to Risk and Return; Portfolio Theory and CAPM, Risk and the Cost of Capital</p> <p><u>DCF valuation</u></p> <ul style="list-style-type: none"> - Corporate Finance Institute (CFI). n.d.a. Discounted cash flow DCF formula. Available: https://corporatefinanceinstitute.com/resources/knowledge/valuation/d

			<p><i>cf-formula-guide/ [2019, July 1]. Corporate Finance Institute (CFI). n.d.b. DCF analysis pros & cons. Available: https://corporatefinanceinstitute.com/resources/knowledge/valuation/dcf-pros-and-cons/ [2019, July 1].</i></p> <ul style="list-style-type: none"> - <i>Corporate Finance Institute (CFI). n.d.c. Terminal value. Available: https://corporatefinanceinstitute.com/resources/knowledge/valuation/terminal-value/[2019, August 27].</i> <p><u>Comparative valuation</u></p> <ul style="list-style-type: none"> - <i>https://breakingintowallstreet.com/biws/kb/valuation/comparable-company-analysis-cca/</i>
5 -6	Companies in NEW economy. Unit economy.	Unit economy. Discounted cash flow method (DCF) and the venture capital method (VCM)	<p>Unit-economy and Start-up valuation</p> <ul style="list-style-type: none"> - https://www.vcmethod.com/ - <i>Sheath, H. 2015. Valuing your business: methodologies for entrepreneurs. Available: https://www.clearlyso.com/valuing-your-business-methodologies-for-entrepreneurs/ [2019, August 27]</i> - <i>Espinal, C.E. 2017. How does an early-stage investor value a startup? Available: https://seedcamp.com/resources/how-does-an-early-stage-investor-value-a-startup/ [2019, July 3].</i> <p><u>Additional reading:</u></p> <ul style="list-style-type: none"> - <i>Gompers, P. & Lerner, J. 2000. Money Chasing Deals?: The Impact of Fund Inflows on Private Equity Valuations. <i>Journal of Financial Economics</i>. 55:281-325.</i> - <i>Rogers, P. 2018. Pre-money vs. post-money: a guide to these key terms for entrepreneurs. Available: https://www.entrepreneur.com/article/312333 [2019, August 29].</i> <p>Before the 7 lecture: Home task: Project <u>Deadline do 24-00 23.02.2020</u></p>
7	Projects		

Academic integrity policy

Cheating, plagiarism, and any other violations of academic ethics at NES are not tolerated.