

# Valuation 2

[3 module, 2021-2022 academic year]

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## Course description

Valuation 2 is mostly devoted to studying practical aspects of valuation art/science – i.e. real life implementation of techniques covered in Valuation 1. We will cover the valuation process from goal setting and financial modelling to presenting results and will also devote considerable time to studying structure of investment cases and equity research functioning. Special valuation techniques, like “sum of the parts” valuation, valuation of companies with complicated capital structure will be considered.,

## Course requirements, grading, and attendance policies

Pre – requirements for the course are:

- (1) Valuation 1
- (2) Economics
- (3) Accounting
- (4) Corporate finance

Course grade would constitute of the following parts

Component	Weight
<b>2 Homeworks</b>	20% each
<b>Final project – most likely it would involve preparing initiation of coverage report for a public company.</b>	50%
<b>Class participation</b>	10%
<b>Total</b>	100%

## Course contents

The course covers the following topics:

1. Refresher: valuation methods, their use and limitations. Valuing companies with complicated capital structures. Sum of the parts valuation
2. Valuation process: goal setting, financial modelling, presenting results. Avoiding errors
3. Valuation and investments: equity research, investment thesis structure, fair and target stock prices, formulating and testing hypotheses.
4. Time permitting: Banks valuation: key methods and limitations.
5. Preparing valuation report: structure, thesis formulation and issuing recommendations

## Description of course methodology

- Lectures
- In – class discussions
- Mini – cases
- Homeworks

## **Course materials**

### **Required textbooks and materials**

1. Damodaran. Investment valuation. Tools and Techniques for determining the value of any asset. Wiley Finance
2. William Sharpe, Gordon J. Alexander, Jeffrey W Bailey. Investments

### **Additional materials**

1. XXXX