

Course title: **Company Valuation Methods**

Studies: International Business

Course description form (syllabus form)

General data						
Cycle of studies	2024-2027					
Organizational unit	Faculty of Economic Sciences					
Studies	International Business, first-cycle studies					
The profile of education	general academic					
Semester	05					
Mode of studies	full-time					
Type of course	Lecture	Practical session	Laboratory	Conversatorium	Seminar	Project
Number of hours	15	30				
Number of ECTS	3					
Examination	Graded credit					
Language	English					
Content author	Joanna Cymerman					
Course objectives						
The aim of the course is to familiarize students with business valuation methods by presenting issues related to the concepts of enterprise value, purposes and functions of business valuation, classifications of business valuation methods and the assumptions, procedure and specificity of individual business valuation methods. The subject enables students to acquire knowledge and develop skills in the field of business valuation methods, taking into account the concepts of cost of capital and economic added value in business valuation.						
Prerequisites						
Knowledge of the basics of corporate finance and accounting						
Student workload						
1. Class sessions (including assessment) - 45 hours 2. Reading literature for classes - 15 hours 3. Preparing assignments - 10 hours 4. Assessment preparation - 5 hours TOTAL: 75 hours (3 ECTS)						
Short description						
The concept of business valuation, categories of the value of business, purposes and functions of business valuation, types of business valuation, data sources for business valuation, classifications of enterprise valuation methods (valuation approaches), asset-based methods in business valuation, income-based methods in business valuation, comparative methods in business valuation, hybrid methods in business valuation.						
Learning outcomes						
KNOWLEDGE: 1. Participants know categories of the value of business, purposes and functions of business valuation. (IB_W02) 2. Participants know business valuation methods, assumptions and valuation procedures. (IB_W02) SKILLS: 1. Participants are able to list and characterize various categories of business value and indicate the goals and functions of business valuation. (IB_U01, IB_U02) 2. Participants are able to perform business valuation using appropriate valuation methods. (IB_U01, IB_U02) COMPETENCIES: 1. Participants develop their social and interpersonal skills by working in a group on issues related to business valuation (IB_K02, IB_K03) 2. Participants are ready to individual work on problem statements in the area of business valuation. (IB_K02, IB_K03)						
Form of verification						
Lecture: graded credit. Practical session: graded credit.						
Detailed data						
Type of course: Lecture						
Bibliography						
Bibliography: 1. M. Fazzini, Business valuation: Theory and practice, Springer, 2018. Supplementary: 1. Côte-Real, Nadine, Tiago Oliveira, and Pedro Ruivo. "Assessing business value of Big Data Analytics in European firms." Journal of Business Research 70 (2017): 379-390. 2. K. G. Palepu, et al., Business analysis and valuation: Using financial statements. Cengage AU, 2020.						
Range of content						
1) Introduction to issues related to business valuation. 2) Asset-based methods in business valuation. 3) Income-based methods in business valuation. 4) Concept of cost of capital in business valuation. 5) Concept of economic value added in business valuation.						

6) Comparative methods in business valuation. 7) Hybrid methods in business valuation. 8) Final test.
Didactic methods
1) Lecture using a multimedia presentation. 2) Working with source materials. 3) Group discussion.
Assessment methods and assessment criteria
Assessment in written form - test of 20 multiple-choice questions (in the case of switching to distance learning, the Forms application on the MS Teams platform). Scale: 60%-65% of correct answers - 3.0. 66-75% - 3.5 76-85% - 4.0 86-95% - 4.5 96% and more - 5.0 Observation and assessment of activity. Active students receive additional points, which are taken into account in the final grade.
Detailed data
Type of course: Class Exercises
Bibliography
Bibliography: 1. Damodaran A., 2006, Investment Valuation, 2 nd Edition, John Wiley & Sons, Inc., Hoboken. 2. Koller T., Goedhart M., Wessels D., 2005, Valuation. Measuring and Managing the Value of Companies, 4 th Edition, McKinsey & Company, Inc., Chicago. 3. Pratt S. P., Niculita A.V., 2008, Valuing a Business, 5 th Edition, The McGraw-Hill Companies, Inc., New York. 4. International Valuation Standards, 2023, International Valuation Standards Council, London. Supplementary: 1. Vernimmen P., Quiry P., Dallochio M., Le Fur Y., Salvi A., 2005, Corporate Finance. Theory and Practice, John Wiley & Sons, Inc., Chichester. 2. Fabozzi F.J., Focardi S.M., Jonas C., 2017, Equity Valuation. Science, Art, or Craft?, CFA Institute Research Foundation, Charlottesville.
Range of content
1) Introduction to issues related to business valuation. 2) Asset-based methods in business valuation. 3) Income-based methods in business valuation. 4) Test 1. 5) Comparative methods in business valuation. 6) Hybrid methods in business valuation. 7) Test 2. 8) Summary classes.
Didactic methods
1) Individual and group work on the discussed issues in the field of enterprise valuation. 2) Solving tasks. 3) Group discussion.
Assessment methods and assessment criteria
Two colloquiums with tasks in the field of business valuation (in each colloquium there are four tasks worth 5 points each - the maximum number of points is 20). The final grade for the exercises is the arithmetic mean of the grades for the two tests. Scale: 60-65% - 3.0. 66-75% - 3.5 76-85% - 4.0 86-95% - 4.5 96% and more - 5.0