

Course Unit	Corporate and Business Valuation		Field of study	Finance	
Master in	Accounting and Finance		School	School of Technology and Management	
Academic Year	2023/2024	Year of study	1	Level	2-1
Type	Semestral	Semester	2	ECTS credits	6.0
Workload (hours)		162	Contact hours	T -    TP 36    PL -    TC -    S 3    E -    OT 9    O -	
Code: 6395-515-1201-00-23					

T - Lectures; TP - Lectures and problem-solving; PL - Problem-solving, project or laboratory; TC - Fieldwork; S - Seminar; E - Placement; OT - Tutorial; O - Other

Name(s) of lecturer(s) António Borges Fernandes

### Learning outcomes and competences

At the end of the course unit the learner is expected to be able to:

1. Identify and understand notations of value.
2. Identify issues related to business and companies valuation.
3. Learn the different stages of valuation.
4. Recognise the importance of diagnosis and identify its main functions in the valuation process.
5. Evaluate forecast analysis.
6. Assess the influence of the market efficiency degree.
7. Apply methods of business valuation.
8. Discuss the advantages and limitations of various assessment methods.

### Prerequisites

Not applicable

### Course contents

The main purpose of this course (UC) is to study the problem of evaluation of companies and businesses, which involves the presentation of different assessment methodologies, as well as their respective strengths and limitations, so that makes it possible to select the most appropriate methods for each situation, providing the evaluation to the service of decision making within frameworks that can involve elaborate complexity.

### Course contents (extended version)

1. The context of valuation and the concept of value.
2. Information, due diligence, outlook & investment.
3. Valuation based on market: the use of several types of multiples.
4. Valuation based on income: the DCF - Discounted Cash Flow model.
5. Valuation of discounted supranormal:
  - The goodwill.
  - EVA - Economic Value Added model.
  - MVA - Market Value Added model.
6. Valuation through the options theory.

### Recommended reading

1. Damodaran, A. (2006). Damodaran on valuation: security analysis for investment and corporate finance (Vol. 324) (2nd ed.). Hoboken, NJ: John Wiley & Sons
2. Massari, M., Gianfrate, G. & Zanetti, L. (2016). Corporate valuation: Measuring the value of companies in turbulent times. Hoboken, NJ: John Wiley & Sons.
3. Mellen, C. M., & Evans, F. C. (2018). Valuation for M&A: Building value in private companies (3rd ed.). Hoboken, NJ: John Wiley & Sons.
4. Reilly, R. F., & Schweihs, R. P. (2016). Guide to intangible asset valuation (revised edition). Hoboken, NJ: John Wiley & Sons.
5. Trugman. (2016). Understanding business valuation: A practical guide to valuing small to medium sized businesses (5th ed. ). Hoboken, NJ: John Wiley & Sons.

### Teaching and learning methods

Theoretical-practical classes with audiovisual resources based on "learning by doing", involving active participation of students through interventions, individual and group works and problem/case solving. Real-life case studies are incorporated into lectures to provide opportunities for students to apply theory into practice in a real world context and to help consolidate the learning outcomes.

### Assessment methods

1. Alternative A - (Regular, Student Worker) (Final, Supplementary)
  - Practical Work - 40% (with oral presentation and discussion in the classroom, in groups up to four elements)
  - Final Written Exam - 50% (for approval to the UC is required to obtain a minimum score of 7 (20) in the written test)
  - Development Topics - 10% (Short summary of attended seminars and lessons taught by guests.)
2. Alternative B - (Regular, Student Worker) (Supplementary, Special)
  - Final Written Exam - 100%

### Language of instruction

Portuguese, with additional English support for foreign students.

### Electronic validation

António Borges Fernandes	Joaquim Agostinho Mendes Leite	Ana Paula Carvalho do Monte	José Carlos Rufino Amaro
04-03-2024	05-03-2024	05-03-2024	09-03-2024