

NIRMA UNIVERSITY
Institute of Management
Master of Business Administration (Full Time) Programme/
Integrated Bachelor of Business Administration-Master of Business
Administration Programme/
Master of Business Administration (Family Business &
Entrepreneurship) Programme

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| Course Code | MFT5SEEF26 | MBM5SEEF26 | MFB5SEEF27 |
| Course Title | Valuation | | |

Course Learning Outcomes (CLO):

At the end of the course, students will be able to:

1. Illustrate different models that can be used for the valuation of assets and firms.
2. Analyze the relation between riskiness of the business and its valuation.
3. Evaluate and compare various valuation models.
4. Determine the value of special types of assets.

Syllabus

Teaching Hours

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| <p>Unit I: Overview of Valuation</p> <ul style="list-style-type: none"> • Introduction to Valuation • Estimation of Cash Flows • Cash Flows Forecasting • Estimating Terminal Value and Competitive Advantage Period | 05 |
| <p>Unit II: Discounted Cash Flow Valuation (DCF)</p> <ul style="list-style-type: none"> • Discount Rates and Firm Valuation • Firm Valuation Using FCFE • Equity Valuation Using FCFE • Special Topics in DCF | 12 |
| <p>Unit III: Relative Valuation</p> <ul style="list-style-type: none"> • The Context of Relative Valuation • Estimating Price/Sales Ratio, Price/Book-Value Ratio • Estimating Price/Earnings Ratio, Price/CF Ratio • Enterprise Value/EBIT • Residual Earnings Valuation | 06 |
| <p>Unit IV: Valuation of Specific Assets</p> <ul style="list-style-type: none"> • Valuing Cash, Liquidity and Other Assets • Valuation of Intangibles • Valuation of Synergy • Cost of Distress • Valuation Models of Leading Banks | 07 |

Suggested Readings:

1. Damodaran, A., Damodaran on Valuation, John Wiley & Sons.
2. Damodaran, A., Applied Corporate Finance, John Wiley & Sons.
3. Damodaran, A. Investment Valuation, John Wiley & Sons
4. Cornell B., Corporate Valuation, McGraw-Hill.
5. Koller T., Goedhart M, and Wessels D., Measuring and Managing the Value of Companies, Mckinsey.
6. Penman S., Financial Statement Analysis and Security Valuation, McGraw Hill.
7. Damodaran, A., The Little Book of Valuation, John Wiley & Sons.

w.e.f. Academic Year 2019-20 and onwards