

**INTERNATIONAL MANAGEMENT INSTITUTE, BHUBANESWAR**  
**POST GRADUATE DIPLOMA IN MANAGEMENT**  
**BUSINESS VALUATION – FN620**  
**CREDIT: FULL CREDITS (3)**  
**SESSION DURATION: 90 MINUTES**

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TERM: VI  
YEAR: 2016-2018  
BATCH: II (PGDM 2017-18)

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### **Course Introduction**

Valuation is an integral part of any business. It is essential in case of change of ownership, mergers & acquisitions, fund raising, IPO etc. The course introduces students to importance, methods, and various issues in business valuation. The course will cover DCF techniques of valuation in detail and also touch upon alternative methods of market multiples, real option valuation and project valuation. It will cover examples from various industries to provide students a wider and deeper understanding of concept of valuation.

### **Learning Outcomes**

- LO1. Learn various techniques for valuation of companies.
- LO2. Undertake valuation of unlisted companies from different sectors and at different stages of growth.
- LO3. Understand the complexities of businesses and its valuation processes.

### **Course Pedagogy**

The course will be delivered through a combination of lectures, presentations and case studies.

### **Book**

Case Problems in Finance by Kester, Ruback and Tufano, Tata McGraw Hill Publishing, New Delhi, Special Indian Edition, 12<sup>th</sup> Edition.

### **Reference Books**

Damodaran on Valuation, Aswath Damodaran. Wiley India Pvt Ltd, New Delhi, Second Edition

### **Evaluation Criteria**

- Class participation: 20%
- Quizzes (Two) 20%
- Group Assignments: 20%
- End Term: 40%

### Session Plan

Session No	Module	Topic	LOs	Readings / Case
1 & 2	Introduction	Introduction to Valuation Techniques	LO1	Neogi Chemicals Company
3 & 4	DCF Technique	Forecasting Cash Flows	LO1, LO2	Valuation of Mass Shoe Last Company
5 & 6		CAPM	LO3	Petrolera Zuata, Petrozuata CA
7 & 8		Adjusted Present Value Methods	LO1, LO3	Sampa Video Inc
9 & 10		Capital Cash Flows	LO1, LO2 LO3	Capital Cash Flows: A Simple Approach to Valuing Risky Cash Flows
11 & 12		Equity Cash Flows	LO1,LO3	Exercise
13 & 14	Market Multiples	Equity Multiples	LO1,LO3	Radio One
15 & 16		Value Multiples	LO1, LO3	Health Development Corporation
17 & 18	Valuing Projects & Real Options	Valuing Projects and Valuing Real Options	LO1, LO3	Iridium Inc
19 & 20	Students Presentation and Course Review			

Note: Additional reading and cases may be provided as the course flows to reinforce the concepts.