



Business Analysis and Valuation

General data

Course code:	M23VFA02E / M23VFA02E
ECTS credits:	9
Type of the course:	B1
Semester:	2.
Course restrictions:	-
Course leader (with availabilities):	<i>Dr. Takács András (takacs.andras@tkk.pte.hu)</i>
Further lecturer(s) (with availabilities):	<i>Kleschné Dr. Csapi Vivien (csapiv@tkk.pte.hu)</i> <i>Dr. Kuti Mónika (kutim@tkk.pte.hu)</i>

1. Description and aims

Students will be guided through the financial life cycle of businesses from early phases to maturity to highlight the available funding options, opportunities and risks. Therefore, the course will cover the topics from bootstrapping and crowdfunding in entrepreneurial finance to the financial management issues of listed companies. Students will be equipped with skills and competences to perform financial statement analysis, to make capital structure and payout policy related decisions. Students will have a deep insight into the financial statements presented under US GAAP and under International Financial Reporting Standards (IFRS) and will understand how accounting information should be interpreted and used for valuation purposes. Furthermore, students will acquire the necessary knowledge and skills to appropriately select and apply different valuation methods to determine the intrinsic value of any company, and to present their work in a high-quality valuation report in line with the International Valuation Standards (IVS). Students will be able to perform real option valuation imbedded into financial management decisions.

2. Intended Learning Outcomes (ILOs)

Upon the successful completion of this course, students should be able to:

- CILO1: Apply relevant financial ratio analysis, based on balance sheet, income statement and cash flow statement. (PILO4)
- CILO2: Correctly judge a financial decision making situation related to capital structure or payout policy, or ESG integration. (PILO4, PILO8)
- CILO3: Understand and differentiate the most widely used company valuation principles and methods described in the relevant literature, and in the International Valuation Standards (IVS). (PILO4)
- CILO4: Correctly judge, (2) a valuation situation, select the appropriate valuation method, work out a sophisticated valuation model (working in a team and using software support), and present the valuation results in a professional valuation report in line with International Valuation Standards. (PILO4, PILO8)
- CILO5: Identify real option types, and apply several real option valuation techniques in an interdisciplinary context. (PILO4, PILO8)



3. Content, schedule

Financial analysis

1. 2023.09.07. Funding options throughout life cycle.
2. 2023.09.14. Complex financial statement analysis.
3. 2023.09.21. Capital structure decision.
4. 2023.10.05. Payout policy. ESG integration.

Valuation

5. 2023.09.28. Inputs for valuation: Financial statements under the International Financial Reporting Standards (IFRS).
6. 2023.10.12. Valuation approaches and methods: cost-based, market-based and income-based valuation.
7. 2023.10.19. The practice of valuation: International Valuation Standards (IVS).
8. 2023.10.26. Solution of a complex valuation case study using MS Excel.

Real options

9. 2023.11.09. From DCF valuation to flexibility assessment.
10. 2023.11.16. Real option types in general.
11. 2023.11.23. Real option valuation (Binomial pricing, Black-Scholes pricing, qualitative assessment).
12. 2023.11. 30. The interdisciplinary application of real options (Engineering, energy sector, pharmaceutical industry, venture capital applications).
13. 2023.12.07. Complex case

4. Learning and teaching strategy, methodology

The financial analysis modul will be based on pre-reading of relevant chapters from the „Financial Statement Analysis” e-learning material which will be provided to students via Moodle; and on interactive learning environment where all the students will be working on a financial analysis of a listed company of their choice individually, while discussing comparative analysis issues in groups at the same time to be able to highlight corporate differences withing the same sector. The target of this teaching strategy is to arrive at the course work of a complex financial analysis to be submitted as an assessment component for 20% (CILO 1, 2). Within the „Valuation” module, students will get a combination of lectures, practical exercises and short case studies, which will help them acquire the knowledge and practical skills necessary to conduct and present a high-quality business valuation.

5. Assessment

Formative assessment elements:

Consultation will be offered to the students to discuss financial analysis issues and to provide a feedback on their performance prior to the submission of the course work.



Summative assessment elements:

Individual Assessment		70%	Group Assessment		30%	
Name of the element	Weight	Type	Details	Retake opportunity	Req.*	Related CILOs
Financial analysis	20%	Individual course work	Financial ratio analysis, credit analysis, capital structure analysis, risk analysis, payout policy analysis.	Resubmission after consultation.		1, 2
Valuation report	30%	Team project	Professional valuation report in line with International Valuation Standards			3, 4
Final exam	50%	Test	Online	Retake opportunity	Req.	3, 4, 5

* Req.: Completion of the element is required to pass the course, irrespective of the performance in other elements.

6. Learning materials

- Essential

KUTI, M. (2017): Financial Statement Analysis. E-learning material.

DAMODARAN, A. (2012): "Investment Valuation: Tools and Techniques for Determining the Value of Any Asset", Third Edition, Wiley

- Recommended

KUTI, M. et al (2017): Equity-based Crowdfunding. Financial and Economic Review, Vol. 16 Issue 4., December 2017, pp. 187–200. https://www.researchgate.net/publication/322016926_Equity-based_Crowdfunding

International Valuation Standards (IVS 2020): <https://www.ivsc.org/standards/>

7. Further information

International aspects embedded with the course
The financial analysis and valuation techniques are based on the international standards and best practices.
Ethics, Responsibility & Sustainability (ERS) aspects embedded with the course
The analysis of the sustainability reports will help students understand the stakeholder approach in financial management.
Connections to the world of practice of the course
Guest lecturers from prestigious companies will be hosted at the course.