

**COURSE DATA****Data Subject**

<b>Code</b>	35917
<b>Name</b>	International business valuation
<b>Cycle</b>	Grade
<b>ECTS Credits</b>	6.0
<b>Academic year</b>	2020 - 2021

**Study (s)**

<b>Degree</b>	<b>Center</b>	<b>Acad. year</b>	<b>Period</b>
1314 - Degree in International Business	Faculty of Economics	4	First term

**Subject-matter**

<b>Degree</b>	<b>Subject-matter</b>	<b>Character</b>
1314 - Degree in International Business	30 - Evaluation of companies	Optional

**Coordination**

<b>Name</b>	<b>Department</b>
RODRIGUEZ COLLELL, VICENTE ANTONIO	44 - Accountancy

**SUMMARY**

International Business Valuation is an elective course in the fourth year of the Degree in International Business. The purpose of this course is to provide a framework to value business through the use of financial statements. Students have to learn the different approaches and methodologies used for business valuation, as well as how to use financial statements in order to value companies. Finally, students have to apply the explained methodologies with the aim of valuing international companies. The course is taught in English.

**PREVIOUS KNOWLEDGE****Relationship to other subjects of the same degree**

There are no specified enrollment restrictions with other subjects of the curriculum.



### Other requirements

A sound knowledge in accounting and financial statements is recommended

## COMPETENCES (RD 1393/2007) // LEARNING OUTCOMES (RD 822/2021)

### 1314 - Degree in International Business

- Be able to work in multidisciplinary and intercultural teams.
- Prepare, interpret and analyse the accounting information of companies.
- Use the economic and financial information of the company to make decisions.
- Conocer el concepto de valoración y los distintos objetivos que se persiguen.
- Conocer los distintos criterios de valoración y su adecuación a los objetivos.
- Conocer los distintos modelos de valoración de empresas, sus peculiaridades y las fuentes de información para realizar el proceso de valoración.
- Identificar los elementos de los estados financieros que se precisan para valorar a la empresa según los distintos métodos.
- Elaborar estados financieros previsionales.

## LEARNING OUTCOMES (RD 1393/2007) // NO CONTENT (RD 822/2021)

- To describe and apply the basic techniques of business valuation.
- To explain the linkage between strategy analysis, accounting analysis, financial analysis and prospective analysis in business valuation.
- To value companies using value-relevant information from financial statements.

## DESCRIPTION OF CONTENTS

### 1. 1. Introduction to business valuation

- 1.1. Concepts of value & valuation
- 1.2. Business model valuation approaches
- 1.3. Steps in Business Valuation

### 2. 2. Balance sheet-based methods of valuation

- 2.1. Book value
- 2.2. Adjusted book value
- 2.3. Liquidation value
- 2.4 Substantial value



### 3. 3. Goodwill-based methods

- 3.1. Concept & determinants of Goodwill
- 3.2. Classic methods
- 3.3. UEC methods
- 3.4. Residual Income Method

### 4. 4. Market approach: Valuation using Prices Multiples

- 4.1. Concept of comparable
- 4.2. Price Earnings Ratio
- 4.3. Other multiples
- 4.4. Advantages & limitations of prices multiples

### 5. 5. Valuation using discounted cash flows: the basics

- 5.1. Dividend Discount Model
- 5.2. Discounted Cash Flow Model
- 5.3. Discounted Abnormal Earnings Model
- 5.4. Asset valuation methodologies

### 6. 6. Valuation using discounted cash flows: practical implications

- 6.1. Comparing valuation methods
- 6.2. Discount rate
- 6.3. Forecasting
- 6.4. Terminal values

## WORKLOAD

ACTIVITY	Hours	% To be attended
Theory classes	30,00	100
Classroom practices	30,00	100
Development of group work	30,00	0
Study and independent work	40,00	0
Preparation of evaluation activities	20,00	0
<b>TOTAL</b>	<b>150,00</b>	



## TEACHING METHODOLOGY

Master lectures will be used in theory lessons, because they give the professor the possibility to go in depth in the most important, to control the topic and to present a determined way to work and study de course.

Participatory lectures will also be used both in theory and practice lessons, with the aim of encourage the communication between students and professors. Therefore, students, organised in groups, can prepare part of the syllabus and present it to their classmates.

Finally, the solution of practical cases and the development of a project in group will let students both the individual learning and the learning among peers.

## EVALUATION

The assessment of the contents and abilities to be reached by the student has to components:

1. A written exam, which will consist in both theoretical questions and problems. It represents the 70% of the final grade.
2. The continuous assessment of the student, which represents 30% of the final mark, and it is based in the participation and implication of the student in the teaching-learning process. Specifically, the student will do a valuation project for an international company, which will be developed in the practical sessions, including presentations. Since these activities will be developed in the practical sessions, the continuous assessment activities cannot be retrievable.

## REFERENCES

### Basic

- Palepu, K.G., Healy, P.M., and Peek, E. Business Analysis and Valuation: IFRS edition.

## ADDENDUM COVID-19

**This addendum will only be activated if the health situation requires so and with the prior agreement of the Governing Council**

The teaching of the course 2020-2021 developed in the previous sections of this teaching guide is programmed in classroom teaching model. This addendum includes the specific adaptations that will be applied as a consequence of the adaptation to a partial (hybrid) or total non-classroom teaching model, for supervening and justified causes. It is intended that teaching be taught with the maximum possible presence that the existing scenario allows at any time. Teachers will communicate more specific and detailed information in each subject in the virtual classroom.



## 1. Contents

The contents programmed in the teaching guide are maintained.

2. Volume of work and temporary planning of teaching. The total volume of work is maintained in hours, programmed in the teaching guide. However, the teaching staff can make modifications to the activities initially scheduled, informing the student of the restructuring carried out. Regarding the temporal planning and the organization of the class sessions, as far as possible the temporal programming of the subject will be adjusted to the established schedule, so that the face-to-face and synchronous non-face-to-face teaching will be taught on days and fixed hours, in the assigned classroom or in the published virtual room. Asynchronous non-classroom teaching may imply an increase in the autonomous work of the students.

## 3. Teaching methodology

The teaching methodology will be adapted in a flexible and diversified way, depending on the teaching modalities adopted - face-to-face, synchronous no-face or asynchronous no-face. The teaching resources and technological platforms provided by the Universitat de València will be used, such as videoconferences through tools such as Blackboard collaborate (BBC) or similar (available in virtual classroom), and / or recorded transparencies, among others. The tutorial attention will be carried out virtually, informing the teachers of the contact channel.

## 4. Evaluation

The evaluation methods and formats, in coherence with the adopted teaching modalities and methodology, can make special emphasis on continuous evaluation. The teacher will specify in the virtual classroom if there are changes in this regard due to unforeseen circumstances, as well as the modes of delivery and review / return, preferably online, of the scheduled work.

The evaluation is scheduled in classroom teaching model. Even in a non-face-to-face teaching model, the final face-to-face assessment will take precedence to the extent permitted by regulatory compliance established by the health situation. If the evaluation cannot be in person due to exceptional circumstances, the teacher will specify in the virtual classroom information about the online test, which will be carried out with attendance control of the student with camera and recording for the identification of the student, with prior consent. student express.