

**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>	2023 - 2024

**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

## OUTCOMES

### 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

- 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.
- Garcia de Olalla, Ignacio and Andvik, Christian, FINANCIAL ANALYSIS AND VALUATION. ED. UNIVERSITETSFORLAGET