

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

Code	44391
Name	Analysis and valuation of companies
Cycle	Master's degree
ECTS Credits	6.0
Academic year	2021 - 2022

Study (s)

Degree	Center	Acad. year	Period
2206 - M.U. en Contabilidad, Auditoría y Control de Gestión	Faculty of Economics	1	Annual

Subject-matter

Degree	Subject-matter	Character
2206 - M.U. en Contabilidad, Auditoría y Control de Gestión	3 - Assessment of businesses and financial instruments	Obligatory

Coordination

Name	Department
MOLINA LLOPIS, RAFAEL	44 - Accountancy

SUMMARY

The **business analysis and valuation** subject provides a good knowledge of financial statement analysis and valuation models different companies, their main limitations and restrictions. The subject of a conception of the company as a unit of decision that should lead, plan, organize and control the various activities and people to achieve the objectives. It deals with the study of the information needs of each category of business decisions required. It shows the scope for action of the accounting law regarding the preparation and presentation of financial statements. Discerns between mandatory and voluntary information. Use the main tools for analysis and interpretation of financial statements, focusing on profitability analysis, management of the company and financial situation. Identify the purpose of the valuation, including strategic decisions on continuity, merger, acquisition, division, business liquidation, purchase-sale of companies, acquisition of companies by employees or directors, own or external, etc. The **faculties** in charge of teaching in this subject are:
Mr. Rafael Molina Llopis, Accounting Department.
Ms. Elisabeth Bustos Contell, Accounting Department.



PREVIOUS KNOWLEDGE

Relationship to other subjects of the same degree

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

Other requirements

No other requirements are described.

OUTCOMES

2206 - M.U. en Contabilidad, Auditoría y Control de Gestión

- Students should apply acquired knowledge to solve problems in unfamiliar contexts within their field of study, including multidisciplinary scenarios.
- Students should be able to integrate knowledge and address the complexity of making informed judgments based on incomplete or limited information, including reflections on the social and ethical responsibilities associated with the application of their knowledge and judgments.
- Students should communicate conclusions and underlying knowledge clearly and unambiguously to both specialized and non-specialized audiences.
- Students should demonstrate self-directed learning skills for continued academic growth.
- Have critical and self-critical capacity.
- Desarrollo de la actitud ética y de responsabilidad social en el trabajo, respetando los derechos fundamentales y de igualdad, la accesibilidad y el medio ambiente, de acuerdo con los valores propios de una cultura de paz y de valores democráticos.
- Capacidad de búsqueda de información, análisis y síntesis.
- Capacidad de adaptación a nuevas situaciones y de resolución de problemas.
- Capacidad de organización y planificación del trabajo y los recursos.
- Capacidad de asumir responsabilidades y esfuerzo.
- Capacidad de trabajo en equipo y liderazgo.
- Capacidad de comunicación.
- Ser capaz de determinar cuándo se debe proceder a realizar una valoración de la empresa y sus repercusiones, determinando las finalidades o motivos por los que se realiza la valoración. Conocer los principales métodos de valoración y determinar en qué circunstancias se debe aplicar cada uno de ellos. Saber organizar y diseñar el proceso de valoración. Aplicar los diferentes métodos de valoración y ser capaz de determinar un rango u horquilla de valoración. Conocer los distintos tipos de combinaciones de negocios. Ser capaz de identificar la empresa adquirente, determinar de la fecha de adquisición, cuantificar del coste de la combinación de negocios, y el fondo de comercio o diferencia negativa. Conocer las peculiaridades del tratamiento contable y comprender las implicaciones económicas de operaciones societarias importantes de



reestructuración empresarial como adquisiciones, fusiones y escisiones.

- Ser capaz de identificar los riesgos a los que queda expuesto cualquier agente económico que opera con instrumentos financieros, ya sean de activo o de pasivo. Poder interpretar adecuadamente la información de los principales mercados en los que se negocian coberturas y, por lo tanto, ser capaz de utilizar los diferentes instrumentos de cobertura. Conocer la normativa contable y criterios de valoración de los distintos instrumentos financieros. Analizar la problemática a la que se enfrentan las empresas a la hora de aplicar la normativa respecto a la contabilización de operaciones relacionadas con activos y pasivos financieros.
- Ser capaces de configurar y manejar un sistema integrado para la gestión contable de la empresa. Utilizar la hoja de cálculo como herramienta de análisis de la información económica de la empresa. Saber aplicar programas de apoyo a tareas específicas de gestión.
- Comprender las particularidades contables que presenta la regulación jurídico-mercantil de las empresas, relacionando la legislación mercantil aplicable a los distintos tipos operaciones societarias con la contabilidad de los hechos económicos que se regulan. Aprender a relacionar las leyes mercantiles que se ocupan de los concursos de acreedores con la contabilidad, adquiriendo práctica en el manejo de determinados textos legales vigentes.

LEARNING OUTCOMES

English version is not available

DESCRIPTION OF CONTENTS

1. Part II: Analysis of financial statements.

2. Unit 1. The financial information on the company.

1. Information users.
2. Financial statements required.
3. Financial Statements operational.

3. Unit 2. Study of the composition and evolution of the items in the financial statements.

4. Unit 3. Analysis of Financial Balance.

1. Solvency - Indebtedness.
2. Liquidity - Ability to pay.
3. Working capital requirements.



5. Unit 4. Profitability Analysis.

1. Economic Performance.
2. Financial Performance.
3. Financial leverage.

6. Unit 5. Case study.

1. Development Excel template.
2. Diagnosis of the financial-economic situation.
3. Presentation.

7. Part II: Business valuation

8. Unit 1. General concepts.

9. Unit 2. Valuation methods based on the balance sheet (I) companies: equity methods or analytical assessment.

1. The net asset or asset value (AN).
2. Adjusted book value (VCA).
3. The liquidation value (NAV)
4. Substantial value (VS).
5. Fixed capital required for operation (CPNE).

10. Unit 3. valuation methods based on the balance sheet (II) companies: methods or compounds mixed assessment.

1. Classic Formulation: Method of classic or German rating. Or Anglo-Saxon method of direct assessment. Indirect method of assessment or practical.
2. Modern Formulation: Method of Union of Accountants (UEC) or capitalization of goodwill.
3. Current Formulation: Method of residual benefit or residual income method (RIM).

11. Unit 4. Methods of assessment based on the income statement for companies: comparative methods or multiples.

1. Multiples sales.
2. Multiples of benefit: different price / earnings ratios (PER multipliers)
3. Multiples on dividends.
4. Multiples on cash flow: price / EBITDA and price / cash flow from operating activities.

**12. Unit 5. valuation methods based on discounting the expected cash flows companies.**

1. Financial projections and estimates of free cash flow and its distribution.
2. Tax savings resulting from leverage and influence interest rates and inflation.
3. Determination of residual value.
4. Estimation of betas and risk premiums of investment projects: the cost of capital or discount rate required.

WORKLOAD

ACTIVITY	Hours	% To be attended
Theory classes	40,00	100
Computer classroom practice	20,00	100
Development of individual work	30,00	0
Study and independent work	10,00	0
Readings supplementary material	5,00	0
Preparation of evaluation activities	20,00	0
Preparing lectures	10,00	0
Preparation of practical classes and problem	5,00	0
Resolution of case studies	10,00	0
TOTAL	150,00	

TEACHING METHODOLOGY

MD1 - Group learning with the teacher. We use the model masterclass in lectures, offering the possibility to influence the most important of each theme, master exposure time, and present a specific way of working and dealing with different concepts. The participatory model will also be used in some theoretical issues and especially in practical classes, which is to prioritize communication between students and the teacher. The practical sessions will take the case method as a model because it encourages student participation both individually and as a group.

MD2 - Individual study. The student is directed in learning-oriented activities, so that student activity focuses on research, location analysis, handling, processing and return of information. The preparation work for the study of the subject will focus on it.

MD3 - Tutoring. Both individually and in groups to solve problems and direct jobs. You can use the platform "Aula Virtual" of the University of Valencia to maintain contact with the teacher.

MD4 - Group work with peers. The performance of work aims also to motivate the student in the research activity, apprehension and analysis of information, foster personal relationships, share problems, initiatives and solutions to work together. You will need to submit the proposed class work.



EVALUATION

The final grade is calculated as the weighted average of the notes of the two parts of the subject, depending on the number of credits each. a minimum score of 4 points in each of them and of 5 points in global average to pass the subject is required.

First call:

Financial statement analysis (weighting 66.67%):

Development of a model spreadsheet analysis and diagnosis of the economic-financial situation on the case study (SE2): Weighting 20%

Exhibition report (SE1): Weighting 10%

Theoretical and practical exam (SE3): 70% Weighting

A minimum grade of 5 points out of 10 will be necessary in the exam, to make an average with the continuous evaluation. Otherwise, the exam grade will be the maximum grade that the student will be able to obtain in this block.

The first two sections are held in groups and are considered continuous assessment as to works that respond fully or majority, shall be made during class. Consequently, if not pass the assessment in this first call, the mark obtained in these two sections will remain unchanged for the second call.

Business valuation (weighting 33.33%):

Exam (SE3): Weighting 100%

Second call:

Financial statement analysis (weighting 66.67%):

Grade obtained by the student in the continuous assessment (SE1 + SE2): Weighting 40%

Theoretical and practical exam (SE3): 60% Weighting

Business valuation (weighting 33.33%):

Exam (SE3): Weighting 100%

If the student gets a grade equal to or greater than 5 points in one of the parts in the first call, the grade in that block will be kept for the second call and, therefore, only the pending part must be assessed.

Continuous evaluation activities are not recoverable in this subject.



REFERENCES

Basic

- AECA (1983): Métodos prácticos de valoración de empresas. Documento 3. Principios de Valoración de Empresas. Madrid.
- AECA (2005): Valoración de pymes. Documento 7. Principios de Valoración de Empresas. Madrid.
- Fernández, P. (2004): Valoración de empresas: cómo medir y gestionar la creación de valor. Ediciones Gestión 2000.
- Fernández, P. (2005): Guía rápida de valoración de empresas. Ediciones Gestión 2000.
- Garrido, P. e Íñiguez, R. (2017): Análisis de estados contables. Elaboración e interpretación de la información financiera. Ed. Ediciones Pirámide.
- Rojo, A.A. (2007): Valoración de empresas y gestión basada en el valor. Editorial Paraninfo.
- Materiales didácticos elaborados por los profesores de la asignatura.

Additional

- Labatut, G. (2009): Valoración de empresas. Bases conceptuales y aplicaciones prácticas. Contabilidad y Dirección. ACCID.
- Labatut, G. (2011): Valoración de empresas: Distintas alternativas. Instituto de Censores Jurados de Cuentas de España.
- Laboratorio de Análisis y Creación de valor de empresas. <http://www.lacve.com/>
- Martín, J.L. y Trujillo, A. (2000): Manual de valoración de empresas. Editorial Ariel Economía.
- Plan General de Contabilidad.
- Plan General de Contabilidad de Pequeñas y Medianas Empresas.
- Archel, P.; Lizarraga, F. y Sánchez, S. (2018): Estados Contables. Elaboración, análisis e interpretación. Ed. Ediciones Pirámide.

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 academic year 2020-2021 developed in the previous sections of this teaching guide is programmed in person.

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.



In any case, its content will only be applied to the part of block I: Analysis of balances of the subject taught and evaluated during the first semester.

1. Contents

The contents initially collected 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.

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 face-to-face teaching and synchronous non-face-to-face teaching, where appropriate, It will be given on the days and times set, in the assigned classroom or in the published virtual room.

3. Teaching methodology

If the sanitary conditions impeded, totally or partially, the development of the planned face-to-face teaching; The classes will be taught by videoconference, using the resources available in the virtual classroom, respecting those indicated in section 2 of this addendum.

4. Evaluation

The evaluation is scheduled in person. 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 sanitary situation. If the assessment cannot be attended in person due to exceptional circumstances, the teacher will specify information about the test in the virtual classroom online, which will be carried out with attendance control of the student body with camera and recording for the identification of the student, with the express prior consent of the student.

In accordance with the previous paragraph, if the sanitary conditions impeded the realization of the face-to-face assessment test, said test would be carried out electronically using the questionnaire modality available in the Virtual Classroom, maintaining the examination format originally planned.

5. Bibliography

The initial bibliography is maintained.

