

MBA 611

Financial Valuations

[Semester/Year] [Class location]

[Class Meeting time(s)]

Instructor: [Name] [Office, e-mail, phone]

Office Hours: [scheduled + by appointment? Virtual Office Hours?]

I. Rationale/Purpose

The Master of Business Administration (MBA) is an integrative, interdisciplinary degree designed to create independent, lifelong learners who are *Business-Ready* to assume leadership positions.

The AACSB accredits Colleges of Business, including Western Carolina University. This course addresses two of three AACSB standards associated with Master of Business Administration Programs. MBA graduates will:

1. Have the ability to apply knowledge in new and unfamiliar circumstances through conceptual understanding of financial decision making.
2. Have the capacity to adapt and innovate to solve problems, to cope with unforeseen events, and to manage in unpredictable environments.

The MBA program has developed an Assurance of Learning Program that facilitates ongoing quality enhancement. This course shares responsibility for the achievement of four programmatic goals. MBA graduates will:

1. Be able to synthesize the information from each of the functional analyses to provide an overall image of a business organization that has the potential to succeed, or to describe how and why the organization is not likely to succeed in the case of such a determination.
2. Be able to use analytical tools to improve the evaluation of alternatives and subsequent judgment.
3. Be able to analyze the contributions from the CFO suite necessary to assembling an overall image of the potential for a business concept.
4. Have a solid foundation of knowledge of accounting and financial terms and concepts.
5. Understand the role strategy plays in an organization and be able to apply organizational strategy to financial decision making
6. Be able to synthesize knowledge across disciplines to plan and guide overall business success.

II. Course Aims and Objectives:

Aims: This course will focus on the valuation of projects, assets, and companies.

- Specific Learning Objectives:

By the end of the course, students will:

1. Understand financial reporting and perform financial analysis in specific situations.
2. Understand cash flows and value those cash flows in specific situations.
3. Be able to use net present value analysis and use it appropriately in specific situations.
4. Be able to perform capital budgeting in specific situations.
5. Be able to analyze and value projects in specific situations.
6. Be able to value companies and components of companies in specific situations.
7. Recognize financial reporting requirements and execute financial analysis for specific applications.
8. Estimate cash flows, risk, required returns, and value of capital projects.
9. Identify the types of real options and estimate the value of a capital project using real options.
10. Calculate free cash flows based on financial statements prepared according to GAAP or IFRS.
11. Estimate the equity risk premium and discuss its role in the determination of required return.
12. Estimate free cash flows to the firm, weighted average cost of capital, and valuation for a company.
13. Apply the price multiples approach to valuation, and critically evaluate the use of each multiple.
14. Demonstrate the economic value added (EVA) approach to firm valuation.
15. Propose adjustments to the valuation process in the case of companies domiciled in foreign countries, including those in emerging markets.
16. Discuss the effect of the quality of corporate governance on valuation.
17. Suggest possible effects of leverage and payout policy on valuation.
18. Discuss the major methods of valuing an acquisition target company, and estimate the intrinsic value of the target.

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III. Course Materials

Sample Textbook:

[Financial Markets & Corporate Strategy, 2nd Edition](#)

Mark Grinblatt, UNIV OF CALIF-LOS ANGELES

Sheridan Titman, UNIV OF TEXAS AT AUSTIN

Hardcover, 912 pages©2002, ISBN-13 9780072294330

IV. Faculty Expectations of Students/Course Policies

- Statement on Accommodations for students with disabilities:

Western Carolina University is committed to providing equal educational opportunities for students with documented disabilities. Students who require disability services or reasonable accommodations must identify themselves as having a disability and provide current diagnostic documentation to Disability Services. All information is confidential. Please contact Disability Services for more information at (828) 227-2716 or 144 Killian Annex.

- Statement on Academic Integrity (including plagiarism):

Academic Honesty Policy

Western Carolina University, as a community of scholarship, is also a community of honor. Faculty, staff, administrators, and students work together to achieve the highest standards of honesty and integrity. Academic dishonesty is a serious offense at Western Carolina University because it threatens the quality of scholarship and defrauds those who depend on knowledge and integrity. Academic dishonesty includes:

- a. **Cheating**—Intentionally using or attempting to use unauthorized materials, information, or study aids in any academic exercise.
- b. **Fabrication**—Intentional falsification of information or citation in an academic exercise.
- c. **Plagiarism**—Intentionally or knowingly representing the words or ideas of someone else as one's own in an academic exercise.

d. **Facilitation of Academic Dishonesty**—Intentionally or knowingly helping or attempting to help someone else to commit an act of academic dishonesty, such as knowingly allowing another to copy information during an examination or other academic exercise.

Instructors have the right to determine the appropriate sanction or sanctions for academic dishonesty within their courses up to and including a final grade of “F” in the course. Within 5 calendar days of the event the instructor will inform his/her department head, and the Associate Dean of the Graduate School when the student is a graduate student, in writing of the academic dishonesty charge and sanction.

Please refer to the graduate catalog for specific procedures.

- Attendance Policy

Students are expected to attend all classes. Group meetings and meetings with outside organizations may also be necessary. other programs

V. Grading Procedures:

	<i>Percentage of Grade Or number of points</i>	<i>Student's score</i>
Mid-Term Examination	[20%]	
Applied Project	[20%]	
Group Activities	[20%]	
Participation/Daily Quizzes	[20%]	
Final Examination	[20%]	
	100%	

Letter grades will be assigned according to the following:

Grading System

The grades which may be assigned to graduate credit courses are as follows:

Grade	Interpretation	Quality Points Per Hour	Grade	Interpretation	Quality Points Per Hour
A	Superior	4	W	Withdrawal	-
B	Good	3	AU	Audit	-
C	Passing	2	IP	Grade Pending	-
F	Failure	0	S	Satisfactory	0
I	Incomplete	-	U	Unsatisfactory	0

VIII. Tentative Course Schedule