



AFIN8038

Business Valuation

Session 1, Weekday attendance, North Ryde 2020

Department of Applied Finance

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General Information

Unit convenor and teaching staff

Unit Convenor

Georgina Ge

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Contact via See iLearn

See iLearn

See iLearn

Angela Chow

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Credit points

10

Prerequisites

(Admission to MActPrac or MFin) or (ACCG611 or ACCG6011 or AFIN613 or AFIN6013 or AFIN6012 or ACST603 or ACST6003 or AFIN858)

Corequisites

Co-badged status

Unit description

This unit develops students' abilities to conduct equity valuation for investment purposes. This advanced module introduces the techniques used by equity financial analysts to measure the worth of a company and its investments. Students assume the role of a financial analyst and learn the mechanics of financial valuation by: performing industry and financial analysis, measuring accounting quality, estimating discount rates, forecasting cash flows, and ultimately issuing a buy/hold/sell recommendation on the firm based on the estimated target price.

Important Academic Dates

Information about important academic dates including deadlines for withdrawing from units are available at <https://www.mq.edu.au/study/calendar-of-dates>

Learning Outcomes

On successful completion of this unit, you will be able to:

ULO1: Explain the principles and theory behind each valuation technique.

ULO2: Evaluate various business valuation techniques and select and apply the most appropriate technique to real world valuation problems.

ULO3: Working collectively in a group to value the equity of a company and make recommendations.

Assessment Tasks

Coronavirus (COVID-19) Update

Assessment details are no longer provided here as a result of changes due to the Coronavirus (COVID-19) pandemic.

Students should consult [iLearn](#) for revised unit information.

[Find out more about the Coronavirus \(COVID-19\) and potential impacts on staff and students](#)

General Assessment Information

Assessment criteria for all assessment tasks will either be provided on the unit iLearn site. It is the responsibility of students to view their marks for each within session assessment on iLearn within 20 working days of posting. If there are any discrepancies, students must contact the unit convenor immediately. Failure to do so will mean that queries received after the release of final results regarding assessment tasks (not including the final exam mark) will not be addressed.

Final Exam Conditions

The examination will be a **closed-book** examination. Students will be permitted ONE A4 page of paper containing reference material printed on both sides. The material may be handwritten or typed. The page will not be returned to you at the end of the final examination.

Late Submissions

First Quiz:

- No extensions will be granted. Students who have not submitted the task prior to the deadline will be awarded a mark of 0 for the task, except for cases in which an application for special consideration is made and approved.

Second Quiz:

- No extensions will be granted. Students who have not submitted the task prior to the deadline will be awarded a mark of 0 for the task, except for cases in which an application for special consideration is made and approved.

Valuation Report:

- No extensions will be granted. There will be a deduction of 10% of the total available marks made from the total awarded mark for each 24 hour period or part thereof that the submission is late (for example, 25 hours late in submission – 20% penalty). This penalty does not apply for cases in which an application for special consideration is made and

approved. No submission will be accepted after solutions have been posted.

Final Exam:

- No extensions will be granted. Students who have not submitted the task prior to the deadline will be awarded a mark of 0 for the task, except for cases in which an application under Special Consideration Policy is made and approved.

Delivery and Resources

Coronavirus (COVID-19) Update

Any references to on-campus delivery below may no longer be relevant due to COVID-19.

Please check here for updated delivery information: https://ask.mq.edu.au/account/pub/display/unit_status

Required Text:	"Damodaran on Valuation" Second Edition by Aswath Damodaran. ISBN: 978-0471751212. You can also check the 2nd hand bookshop or search online. Macquarie University library has a few copied as well. Other relevant reading materials besides the textbook will be provided and accessible via iLearn.
Unit Web Page:	<p>Course materials are available on the learning management system at http://iLearn.mq.edu.au You are strongly encouraged to regularly visit the website and use it as a resource centre to assist with your learning. All lecture materials and examples, homework questions and answers, administration issues, and supplementary readings will be available on this site as the course progresses. If you are unable to access the website because you are not aware of or have forgotten your username and password, please contact the IT helpdesk. All information can be found at http://informatics.mq.edu.au/help/</p> <p>With regards to assistance in using iLearn please visit the following link. http://www.mq.edu.au/iLearn/student_info/index.htm You can follow the tabs on the left, i.e., "Getting Started" and "Access iLearn" Please remember to log out when you have finished using iLearn. Failure to do so could result in unauthorised access to your iLearn account.</p>
Technology Used and Required:	Students will require a calculator (scientific or financial) capable of handling exponents. Simple financial functions (as found on financial calculators) will not be required. If the calculator is to be used in exams then it must NOT be capable of storing text or formulae OR it must easily be demonstrated that all memory has been cleared. Students must be familiar with spreadsheet technology (eg MS Excel or equivalent)
Delivery Format and Other Details:	<p><u>Classes</u></p> <ul style="list-style-type: none"> • There are 13 weekly sessions of 3 hours. • See timetable for classes on the University web site at: http://www.timetables.mq.edu.au/ • All students are to attend all classes except in cases of illness or unexpected events of a serious nature (eg family bereavement). <p><u>Teaching and Learning Activities</u></p> <p>Contact sessions are three hours. There will be one short break during the session. Students are required to prepare for each lecture by reading the material set from the required textbook. Students are encouraged to ask questions, initiate discussions, and provide input from relevant personal experience.</p>
Recommended Readings:	Additional references may be added during the semester. Details of these will be provided at the unit web page.
Other Course Materials:	Additional course materials may be added during the semester. Details of these will be provided at the unit web page.

Inherent Requirements	<p>Mathematical content</p> <ul style="list-style-type: none"> Finance has a high level of numerate content. Consequently this unit is, in parts, mathematical and arithmetical.
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Unit Schedule

Coronavirus (COVID-19) Update

The unit schedule/topics and any references to on-campus delivery below may no longer be relevant due to COVID-19. Please consult [iLearn](#) for latest details, and check here for updated delivery information: https://ask.mq.edu.au/account/pub/display/unit_status

Week	Date (Monday)	Seminar
1	24/02/2020	Module 1 - Introduction, Sources of Information, and Industry Analysis
2	02/03/2020	Module 2 - Financial Reporting and Analysis
3	09/03/2020	Module 3 - Market Valuation: Relative Valuation Techniques (PART 1)
4	16/03/2020	Module 3 - Market Valuation: Relative Valuation Techniques (PART 2) First quiz (10%)
5	23/03/2020	Module 4 - Advanced Estimation of Discount Rates (PART 1)
6	30/03/2020	Module 4 - Advanced Estimation of Discount Rates (PART 2)
7	06/04/2020	Module 5 - Quality of Financial Statement and Reliance on Accounting Numbers
Break		Mid-semester break from Monday 13/04/2020 to Friday 24/04/2020
8	27/04/2020	Module 6 - Discounted Cash Flow (DCF) Valuation - Calculating Free Cash Flows (PART 1) Second quiz (10%)
9	04/05/2020	Module 6 - Discounted Cash Flow (DCF) Valuation - Calculating Free Cash Flows (PART 2)
10	11/05/2020	Module 7 - Forecasting Free Cash Flows
11	18/05/2020	Module 8 - Issues in Estimating Terminal Value
12	25/05/2020	Module 9 - A Practitioner's Approach to Valuing Firms: The Case of ValueCo Inc.
13	01/06/2020	Revision Class

Policies and Procedures

Macquarie University policies and procedures are accessible from [Policy Central](https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central) (<https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central>). Students should be aware of the following policies in particular with regard to Learning and

Teaching:

- [Academic Appeals Policy](#)
- [Academic Integrity Policy](#)
- [Academic Progression Policy](#)
- [Assessment Policy](#)
- [Fitness to Practice Procedure](#)
- [Grade Appeal Policy](#)
- [Complaint Management Procedure for Students and Members of the Public](#)
- [Special Consideration Policy](#) (**Note:** *The Special Consideration Policy is effective from 4 December 2017 and replaces the Disruption to Studies Policy.*)

Students seeking more policy resources can visit the [Student Policy Gateway](https://students.mq.edu.au/support/study/student-policy-gateway) (<https://students.mq.edu.au/support/study/student-policy-gateway>). It is your one-stop-shop for the key policies you need to know about throughout your undergraduate student journey.

If you would like to see all the policies relevant to Learning and Teaching visit [Policy Central](http://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central) (<http://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central>).

Student Code of Conduct

Macquarie University students have a responsibility to be familiar with the Student Code of Conduct: <https://students.mq.edu.au/study/getting-started/student-conduct>

Results

Results published on platform other than [eStudent](#), (eg. iLearn, Coursera etc.) or released directly by your Unit Convenor, are not confirmed as they are subject to final approval by the University. Once approved, final results will be sent to your student email address and will be made available in [eStudent](#). For more information visit ask.mq.edu.au or if you are a Global MBA student contact globalmba.support@mq.edu.au

Supplementary exams

Information regarding supplementary exams, including dates, is available at:

http://www.businessandeconomics.mq.edu.au/current_students/undergraduate/how_do_i/disruption_to_studies

Student Support

Macquarie University provides a range of support services for students. For details, visit <http://students.mq.edu.au/support/>

Learning Skills

Learning Skills (mq.edu.au/learningskills) provides academic writing resources and study strategies to help you improve your marks and take control of your study.

- [Getting help with your assignment](#)
- [Workshops](#)
- [StudyWise](#)
- [Academic Integrity Module](#)

The Library provides online and face to face support to help you find and use relevant information resources.

- [Subject and Research Guides](#)
- [Ask a Librarian](#)

Student Services and Support

Students with a disability are encouraged to contact the [Disability Service](#) who can provide appropriate help with any issues that arise during their studies.

Student Enquiries

For all student enquiries, visit Student Connect at ask.mq.edu.au

If you are a Global MBA student contact globalmba.support@mq.edu.au

IT Help

For help with University computer systems and technology, visit http://www.mq.edu.au/about_us/offices_and_units/information_technology/help/.

When using the University's IT, you must adhere to the [Acceptable Use of IT Resources Policy](#). The policy applies to all who connect to the MQ network including students.