



# AFIN8038

## Business Valuation

Session 2, Special circumstance 2020

*Department of Applied Finance*

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#### **Disclaimer**

Macquarie University has taken all reasonable measures to ensure the information in this publication is accurate and up-to-date. However, the information may change or become out-dated as a result of change in University policies, procedures or rules. The University reserves the right to make changes to any information in this publication without notice. Users of this publication are advised to check the website version of this publication [or the relevant faculty or department] before acting on any information in this publication.

#### **Notice**

As part of [Phase 3 of our return to campus plan](#), most units will now run tutorials, seminars and other small group learning activities on campus for the second half-year, while keeping an online version available for those students unable to return or those who choose to continue their studies online.

To check the availability of face-to-face and online activities for your unit, please go to [timetable viewer](#). To check detailed information on unit assessments visit your unit's iLearn space or consult your unit convenor.

## General Information

Unit convenor and teaching staff

Angela Chow

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Grace Lepone

[grace.lepone@mq.edu.au](mailto:grace.lepone@mq.edu.au)

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.

## General Assessment Information

Assessment criteria for all assessment tasks will 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 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.

### Late submissions and extensions

Tasks 10% or less – 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.

Tasks above 10% - 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.

## Assessment Tasks

| Name                                     | Weighting | Hurdle | Due                                  |
|--|-----------|--------|--------------------------------------|
| <a href="#"><u>Online Quiz</u></a>       | 20%       | No     | Week 4                               |
| <a href="#"><u>Valuation Report</u></a>  | 40%       | No     | Week 12                              |
| <a href="#"><u>Final Examination</u></a> | 40%       | No     | During University Examination Period |

### Online Quiz

Assessment Type <sup>1</sup>: Quiz/Test

Indicative Time on Task <sup>2</sup>: 10 hours

Due: **Week 4**

Weighting: **20%**

An online quiz consisting of multiple choice questions. The duration of the quiz will be 45 minutes.

On successful completion you will be able to:

- Explain the principles and theory behind each valuation technique.
- Evaluate various business valuation techniques and select and apply the most

appropriate technique to real world valuation problems.

## Valuation Report

Assessment Type <sup>1</sup>: Report

Indicative Time on Task <sup>2</sup>: 40 hours

Due: **Week 12**

Weighting: **40%**

Students will work in groups to conduct quantitative and qualitative analysis on business valuation and produce a report of 1500 - 2500 words. Of this, 50% of this group work assessment will be allocated to individual performance.

On successful completion you will be able to:

- Explain the principles and theory behind each valuation technique.
- Evaluate various business valuation techniques and select and apply the most appropriate technique to real world valuation problems.
- Working collectively in a group to value the equity of a company and make recommendations.

## Final Examination

Assessment Type <sup>1</sup>: Examination

Indicative Time on Task <sup>2</sup>: 15 hours

Due: **During University Examination Period**

Weighting: **40%**

An online open book two hour exam will be held during the University Examination Period.

On successful completion you will be able to:

- Explain the principles and theory behind each valuation technique.
- Evaluate various business valuation techniques and select and apply the most appropriate technique to real world valuation problems.

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<sup>1</sup> If you need help with your assignment, please contact:

- the academic teaching staff in your unit for guidance in understanding or completing this

type of assessment

- the [Writing Centre](#) for academic skills support.

<sup>2</sup> Indicative time-on-task is an estimate of the time required for completion of the assessment task and is subject to individual variation

## Delivery and Resources

**Delivery:** The course is delivered by weekly 3-hour lecturers. See timetable for classes on the University web site at: <http://www.timetables.mq.edu.au/>

**Textbook:** The textbook is "Damodaran on Valuation" Second Edition by Aswath Damodaran. ISBN: 978-0471751212. This is available for purchase online from [www.booktopia.com.au/cool](http://www.booktopia.com.au/cool) and a copy should also be available in the Macquarie Library. Other relevant reading materials besides the textbook will be provided and accessible via iLearn.

## 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 \(https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central\)](https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central).

## 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](mailto:globalmba.support@mq.edu.au)

## 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](http://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](mailto: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/](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.