



# AFCP8144

## Business Valuation

Term 2, In person-scheduled-infrequent, City 2022

*Department of Applied Finance*

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#### **Disclaimer**

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## General Information

Unit convenor and teaching staff

Stephen Reid

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Contact via Email

Credit points

10

Prerequisites

AFCP8102

Corequisites

Co-badged status

Unit description

This unit develops skills required to address a wide range of valuation situations and critically evaluate and apply the variety of valuation techniques used in practice and relevant to company directors, chief financial officers, company secretaries, corporate advisors and equity analysts. Students will develop skills required in the assessment of projects, companies or divisions. This unit will consider in detail the assumptions and implementation issues involved in valuation models, recent developments in cost of capital estimation, valuation methodologies and real options. These principles will then be applied in the valuation of portfolio and controlling interests in both public and private companies. The nuances of performing valuations for mergers and acquisitions vs independent expert's reports vs financial reporting vs taxation purposes will be assessed. Aligned to CAANZ Business Valuation Specialisation.

## 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 theory and practice behind valuation models used in valuing private and public companies and other enterprises.

**ULO2:** Formulate solutions that best meet regulatory, ethical and societal expectations and justify valuation models recommended, reflecting on valuations tensions and issues

arising.

**ULO3:** Effectively communicate complex business valuation ideas, information and recommendations to various audiences.

## General Assessment Information

### Late submissions of assessments

Unless a Special Consideration request has been submitted and approved, no extensions will be granted. There will be a deduction of 10% of the total available assessment-task marks made from the total awarded mark for each 24-hour period or part thereof that the submission is late. Late submissions will only be accepted up to 96 hours after the due date and time.

No late submissions will be accepted for timed assessments – e.g., quizzes, online tests.

**Table 1: Penalty calculation based on submission time**

Submission time after the due date (including weekends)	Penalty (% of available assessment task mark)	Example: for a non-timed assessment task marked out of 30
< 24 hours	10%	10% x 30 marks = 3-mark deduction
24-48 hours	20%	20% x 30 marks = 6-mark deduction
48-72 hours	30%	30% x 30 marks = 9-mark deduction
72-96 hours	40%	40% x 30 marks = 12-mark deduction
> 96 hours	100%	Assignment won't be accepted

### Special Consideration

To request an extension on the due date/time for a timed or non-timed assessment task, you must submit a [Special Consideration application](#). An application for Special Consideration does not guarantee approval.

The approved extension date for a student becomes the new due date for that student. The late submission penalties above then apply as of the new due date.

## Assessment Tasks

Name	Weighting	Hurdle	Due
<a href="#"><u>Class activities</u></a>	20%	No	Refer to iLearn

Name	Weighting	Hurdle	Due
<a href="#">Business Valuation</a>	55%	No	Refer to iLearn
<a href="#">Final assessment</a>	25%	No	Refer to iLearn

## Class activities

Assessment Type <sup>1</sup>: Participatory task

Indicative Time on Task <sup>2</sup>: 20 hours

Due: **Refer to iLearn**

Weighting: **20%**

Tasks set with online classes including quizzes, online or recorded presentations, learning portfolio, analytical tasks and participation.

On successful completion you will be able to:

- Explain the theory and practice behind valuation models used in valuing private and public companies and other enterprises.

## Business Valuation

Assessment Type <sup>1</sup>: Case study/analysis

Indicative Time on Task <sup>2</sup>: 35 hours

Due: **Refer to iLearn**

Weighting: **55%**

Assess valuation of a project or company. Group and Individual tasks for each of up to 2,500 words.

On successful completion you will be able to:

- Formulate solutions that best meet regulatory, ethical and societal expectations and justify valuation models recommended, reflecting on valuations tensions and issues arising.
- Effectively communicate complex business valuation ideas, information and recommendations to various audiences.

## Final assessment

Assessment Type <sup>1</sup>: Practice-based task

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

Due: **Refer to iLearn**

Weighting: **25%**

An assessment task based on an applied valuation scenario.

On successful completion you will be able to:

- Explain the theory and practice behind valuation models used in valuing private and public companies and other enterprises.
- Formulate solutions that best meet regulatory, ethical and societal expectations and justify valuation models recommended, reflecting on valuations tensions and issues arising.
- Effectively communicate complex business valuation ideas, information and recommendations to various audiences.

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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

### Learning and Teaching Activities

**Strategy:** Programs in the Applied Finance Centre adopt a deep teaching and learning strategy. Students acquire and retain knowledge and can make sense of the issues and concepts and apply them in the “real world”. The program relies heavily on student engagement and participation by: (a) Continuous learning throughout the term. This is encouraged through a combination of students undertaking prescribed reading throughout the units and/or completion of practice problems, online activities, case studies, assignments, class discussions, etc and interaction via forums; and (b) Assessments, which enable the student to demonstrate his/her understanding of the learning objectives achieved through the continuous learning.

**Student Participation:** This is a blended unit where students need to complete assigned

activities before live Zoom sessions and weekend sessions. Students participate in this unit by (a) Actively engaging with the videos and required readings of this unit; (b) Working systematically through and completing online activities; (c) Interacting in forums and face-to-face/online sessions, and (d) Completing all assessment tasks.

### **Textbook**

Pratt, Shannon P.. *Business Valuation Discounts and Premiums*, John Wiley & Sons, Incorporated, 2009. Available in Macquarie Library as an E-book - [https://multisearch.mq.edu.au/permalink/61MACQUARIE\\_INST/1c87tk9/alma99245067409502171](https://multisearch.mq.edu.au/permalink/61MACQUARIE_INST/1c87tk9/alma99245067409502171)

## **Unit Schedule**

Refer to iLearn

## **Policies and Procedures**

Macquarie University policies and procedures are accessible from [Policy Central \(https://policies.mq.edu.au\)](https://policies.mq.edu.au). 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](#)
- [Assessment Procedure](#)
- [Complaints Resolution Procedure for Students and Members of the Public](#)
- [Special Consideration Policy](#)

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

To find other policies relating to Teaching and Learning, visit [Policy Central \(https://policies.mq.edu.au\)](https://policies.mq.edu.au) and use the [search tool](#).

## **Student Code of Conduct**

Macquarie University students have a responsibility to be familiar with the Student Code of Conduct: <https://students.mq.edu.au/admin/other-resources/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](https://ask.mq.edu.au) or if you are a Global MBA student contact [globalmba.support@mq.edu.au](mailto:globalmba.support@mq.edu.au)

## Academic Integrity

At Macquarie, we believe [academic integrity](#) – honesty, respect, trust, responsibility, fairness and courage – is at the core of learning, teaching and research. We recognise that meeting the expectations required to complete your assessments can be challenging. So, we offer you a range of resources and services to help you reach your potential, including free [online writing and maths support](#), [academic skills development](#) and [wellbeing consultations](#).

## Student Support

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

### The Writing Centre

[The Writing Centre](#) provides resources to develop your English language proficiency, academic writing, and communication skills.

- [Workshops](#)
- [Chat with a WriteWISE peer writing leader](#)
- [Access StudyWISE](#)
- [Upload an assignment to Studiosity](#)
- [Complete the 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

Macquarie University offers a range of [Student Support Services](#) including:

- [IT Support](#)
- [Accessibility and disability support](#) with study
- Mental health [support](#)
- [Safety support](#) to respond to bullying, harassment, sexual harassment and sexual assault
- [Social support including information about finances, tenancy and legal issues](#)

## Student Enquiries

Got a question? Ask us via [AskMQ](#), or contact [Service Connect](#).

## 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.