



AFIN838

Business Valuation

S2 Day 2018

Archive (Pre-2019) - Dept of Applied Finance and Actuarial Studies

Contents

<u>General Information</u>	2
<u>Learning Outcomes</u>	2
<u>General Assessment Information</u>	3
<u>Assessment Tasks</u>	3
<u>Delivery and Resources</u>	6
<u>Policies and Procedures</u>	6
<u>Graduate Capabilities</u>	8
<u>Changes from Previous Offering</u>	9

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General Information

Unit convenor and teaching staff

Unit convenor and Lecturer

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E4A - 5.17

Refer to ilearn

Angela Chow

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Credit points

4

Prerequisites

ACCG611 or AFIN613 or ACST603 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:

1. Working collectively in a group, write a report valuing the equity of a company listed on the Australian Securities Exchange and make corresponding investment recommendations.
2. Evaluate business valuation techniques to determine the most appropriate technique for the specific valuation task.

3. Apply valuation techniques to real world valuation problems.
4. Explain the principles and theory behind each valuation technique

General Assessment Information

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 marks (not including the final exam mark) will not be addressed.

Assessment criteria for all assessment tasks will be provided on the unit iLearn site.

Where a Special Consideration application is approved, the student may be offered an alternative assessment or may receive a mark based on the percentage mark achieved by the student in one or more other assessment tasks, at the Unit Convenor's discretion.

Assessment Tasks

Name	Weighting	Hurdle	Due
<u>First Online Quiz</u>	5%	No	19/08/2018 (5:00pm)
<u>Second Online Quiz</u>	10%	No	05/10/2018
<u>Valuation Report</u>	30%	No	Week 12 (refer to iLearn)
<u>Final Exam</u>	55%	No	University Examination Week

First Online Quiz

Due: **19/08/2018 (5:00pm)**

Weighting: **5%**

The first online iLearn Quiz aims to assess student progress in the course. The test will comprise 5 multiple choice questions (approximate duration: 15 minutes). The online test must be completed by 5:00pm Sunday 19 August 2018. **Students are responsible for checking the stability of their internet connection before attempting the quiz.** Except for the very special case of *University-wide* internet connection issues, no student will be granted an extension or a special consideration if the quiz is not submitted or completed due to unforeseen internet disruptions. More information concerning the test will be provided in class and on iLearn.

Extensions.

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.

On successful completion you will be able to:

- 2. Evaluate business valuation techniques to determine the most appropriate technique for the specific valuation task.
- 3. Apply valuation techniques to real world valuation problems.
- 4. Explain the principles and theory behind each valuation technique

Second Online Quiz

Due: **05/10/2018**

Weighting: **10%**

The second online iLearn Quiz aims to assess student progress in the course. The test will comprise 10 multiple choice questions (approximate duration: 30 minutes). The online test will open at 7:00pm on Friday 5 October 2018 and must be completed by 8:00pm on the same day. **Students are responsible for checking the stability of their internet connection before attempting the quiz.** Except for the very special case of *University-wide* internet connection issues, no student will be granted an extension or a special consideration if the quiz is not submitted or completed due to unforeseen internet disruptions. More information concerning the test will be provided in class and on iLearn.

Extensions.

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.

On successful completion you will be able to:

- 2. Evaluate business valuation techniques to determine the most appropriate technique for the specific valuation task.
- 3. Apply valuation techniques to real world valuation problems.
- 4. Explain the principles and theory behind each valuation technique

Valuation Report

Due: **Week 12 (refer to iLearn)**

Weighting: **30%**

Important - Teams of 5 students are required to prepare the assignment. Please notice that 50% of the assignment mark will be allocated to the individual performance by setting one final exam question related to the group report (more information on this will be

provided in class and on iLearn).

Student teams are required to prepare a professional report comprising the valuation of a company listed on the Australian Securities Exchange (ASX). The style of the report (examples will be provided on iLearn) will be a detailed valuation report for a commercial client. The assignment will be marked on the quality of the report and its technical veracity.

Submission:

The team leader should submit the final report through Turnitin via a submission link which will be available on iLearn.

Extensions:

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.

On successful completion you will be able to:

- 1. Working collectively in a group, write a report valuing the equity of a company listed on the Australian Securities Exchange and make corresponding investment recommendations.
- 2. Evaluate business valuation techniques to determine the most appropriate technique for the specific valuation task.
- 3. Apply valuation techniques to real world valuation problems.
- 4. Explain the principles and theory behind each valuation technique

Final Exam

Due: **University Examination Week**

Weighting: **55%**

A 2 hour final examination for this unit will be held during the University Examination period. The examination will be a closed-book examination. ***Students are 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.***

On successful completion you will be able to:

- 1. Working collectively in a group, write a report valuing the equity of a company listed on the Australian Securities Exchange and make corresponding investment recommendations.
- 2. Evaluate business valuation techniques to determine the most appropriate technique

for the specific valuation task.

- 3. Apply valuation techniques to real world valuation problems.
- 4. Explain the principles and theory behind each valuation technique

Delivery and Resources

Classes • 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).

Required Textbook "Damodaran on Valuation" Second Edition by Aswath Damodaran. ISBN: 978-0471751212 The text is available from the Macquarie University Co-op Bookshop (<https://www.coop.com.au/s/macquarie-university>). 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.

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)

Unit Web Page Course material is 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 material 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/> 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.

Teaching and Learning Activities 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.

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>). 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.*)

Undergraduate 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 shown in *iLearn*, 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.

Supplementary exams

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

http://www.businessandconomics.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 improve your marks and take control of your study.

- [Workshops](#)

- [StudyWise](#)
- [Academic Integrity Module for Students](#)
- [Ask a Learning Adviser](#)

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

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.

Graduate Capabilities

PG - Discipline Knowledge and Skills

Our postgraduates will be able to demonstrate a significantly enhanced depth and breadth of knowledge, scholarly understanding, and specific subject content knowledge in their chosen fields.

This graduate capability is supported by:

Learning outcomes

- 1. Working collectively in a group, write a report valuing the equity of a company listed on the Australian Securities Exchange and make corresponding investment recommendations.
- 2. Evaluate business valuation techniques to determine the most appropriate technique for the specific valuation task.
- 3. Apply valuation techniques to real world valuation problems.
- 4. Explain the principles and theory behind each valuation technique

Assessment tasks

- First Online Quiz
- Second Online Quiz
- Valuation Report
- Final Exam

PG - Critical, Analytical and Integrative Thinking

Our postgraduates will be capable of utilising and reflecting on prior knowledge and experience, of applying higher level critical thinking skills, and of integrating and synthesising learning and knowledge from a range of sources and environments. A characteristic of this form of thinking is the generation of new, professionally oriented knowledge through personal or group-based critique of practice and theory.

This graduate capability is supported by:

Learning outcomes

- 2. Evaluate business valuation techniques to determine the most appropriate technique for the specific valuation task.
- 3. Apply valuation techniques to real world valuation problems.
- 4. Explain the principles and theory behind each valuation technique

Assessment tasks

- First Online Quiz
- Second Online Quiz
- Final Exam

PG - Effective Communication

Our postgraduates will be able to communicate effectively and convey their views to different social, cultural, and professional audiences. They will be able to use a variety of technologically supported media to communicate with empathy using a range of written, spoken or visual formats.

This graduate capability is supported by:

Learning outcome

- 1. Working collectively in a group, write a report valuing the equity of a company listed on the Australian Securities Exchange and make corresponding investment recommendations.

Assessment task

- Valuation Report

Changes from Previous Offering

None