



**LUND**  
UNIVERSITY

School of Economics and Management

## **BUSO95, Business Administration: Corporate Valuation, 7.5 credits**

*Företagsekonomi: Företagsvärdering, 7,5 högskolepoäng*  
Second Cycle / Avancerad nivå

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### **Details of approval**

The syllabus was approved by Academic Director of Studies at Department of Business Administration on 2017-06-08 and was last revised on 2017-06-08 by The Board of the Department of Business Administration. The revised syllabus applies from 2017-08-28, autumn semester 2017.

### **General Information**

*Language of instruction:* English

*Main field of studies*

Business Administration

*Depth of study relative to the degree requirements*

A1N, Second cycle, has only first-cycle course/s as entry requirements

### **Learning outcomes**

BUSO95 is a course on Business Administration at the advanced level.

### **Knowledge and understanding**

A passing grade on the course will be awarded to students who:

- have demonstrated knowledge of corporate valuation, especially of construction and forecasting of pro forma financial statements and building a valuation model, calculation of the cost of capital, and testing, interpreting, and presenting the results of a valuation
- have demonstrated knowledge of financial statement analysis, especially of deriving and analyzing information from the Notes to Financial Statements portion of annual reports and adjust the statements as needed

## **Competence and skills**

A passing grade on the course will be awarded to students who:

- have demonstrated ability to identify problems and situations where the theories learnt are applicable
- can communicate the results, and their analyses and conclusions, of an empirical investigation clearly and unambiguously

## **Judgement and approach**

A passing grade on the course will be awarded to students who:

- have demonstrated ability to use theories and concepts to value companies and analyze financial statements and corporate shareholder-value creation

## **Course content**

The main objective of the course is to provide students with a rigorous understanding of corporate value-based managing and corporate valuation using discounted cash flow and economic profit techniques. This is a course in applied finance, where the focus is on learning how to value firms and assessing value creation. The course will make students familiar with different models for valuing companies. The starting point will be discounted cash flow and economic profit valuation, which extends the present value calculation to valuation of entire firms. Since the focus is fundamental analysis, the course also aims to develop skills in the analysis and interpretation of corporate financial statements.

The ultimate test of corporate strategy is whether it creates economic value for shareholders. Value-based management is based on the assumption that a company is only successful and only creates shareholder value if it generates more financial resources than the capital providers expect. The course will make students familiar with different models for measuring value creation.

## **Course design**

The course is conducted in the form of lectures, exercises, and case and assignment work. The course emphasizes applied learning, where participants learn to use the studied analysis techniques. To facilitate this, assignment work makes up an important part of the teaching and learning activities on the course. Lectures will cover parts of the course literature, with particular emphasis on the more challenging parts. This means that self-study of the course literature is essential and that the assigned readings are integral parts of the teaching and learning activities.

## **Assessment**

Assessment and grading are based on assignment work, exercises, and a written examination covering all teaching and learning activities and all assigned readings. Since the course emphasizes applied learning, important parts of the examination are focused on participants employing the studied analysis techniques.

The examiner, in consultation with Disability Support Services, may deviate from the regular form of examination in order to provide a permanently disabled student with a form of examination equivalent to that of a student without a disability.

*Subcourses that are part of this course can be found in an appendix at the end of this document.*

## Grades

Marking scale: Fail, E, D, C, B, A.

Grade (Definition) Points or % out of maximum points. Characteristic.

**A** (Excellent) 85-100. A distinguished result that is excellent with regard to theoretical depth, practical relevance, analytical ability and independent thought.

**B** (Very good) 75-84. A very good result with regard to theoretical depth, practical relevance, analytical ability and independent thought.

**C** (Good) 65-74. The result is of a good standard with regard to theoretical depth, practical relevance, analytical ability and independent thought and lives up to expectations.

**D** (Satisfactory) 55-64. The result is of a satisfactory standard with regard to theoretical depth, practical relevance, analytical ability and independent thought.

**E** (Sufficient) 50-54. The result satisfies the minimum requirements with regard to theoretical depth, practical relevance, analytical ability and independent thought, but not more.

**F** (U) (Fail) 0-49. The result does not meet the minimum requirements with regard to theoretical depth, practical relevance, analytical ability and independent thought.

Some occasional examination elements of the course may have the grading scale pass D / F (Pass/Fail).

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Plagiarism is considered to be a very serious academic offence. The University will take disciplinary actions against any kind of attempted malpractice in examinations and assessments. The penalty that may be imposed for this, and other improper practices in examinations or assessments, includes suspension from the University for a specific period of time.

## Entry requirements

Students admitted to a Master Programme where this course is either a compulsory or elective part, are qualified for the course. For other students, at least 60 UCP or ECTS-cr in Business Administration is required. These must include a course in basic Business Administration (e.g. FEKA90 Business Administration: Introductory course in Business Administration).

## **Further information**

The course BUSN93 cannot be combined with the courses FEK546, FEK598, BUS862, BUSN31, BUSN82, BUSN87, or BUSN93 in a degree.

In case of closure of the course: Within three semesters after the course closure there will be offered three additional occasions for examination of respective examination part of the course, for students with no successful result. Note that after this you can get a certificate only regarding completed examination parts.

## Subcourses in BUSO95, Business Administration: Corporate Valuation

Applies from H17

- 1701 Written Exam, 2,5 hp  
Grading scale: Fail, E, D, C, B, A
- 1702 Reports, 5,0 hp  
Grading scale: Fail, E, D, C, B, A