

Academic Year: (2022 / 2023)

Review date: 08-05-2022

Department assigned to the subject:

Coordinating teacher: CAMINO BLASCO, DAVID

Type: Electives ECTS Credits : 2.0

Year : 1 Semester : 2

REQUIREMENTS (SUBJECTS THAT ARE ASSUMED TO BE KNOWN)

Corporate finance and financial economics.

OBJECTIVES

- To understand and acquire the tools that will allow students to develop and apply original ideas, often in a research context.
- The students will learn to apply the acquired knowledge and solve problems in new contexts related to the area studied.
- The students will be able to face and solve complex problems that require reasonable thinking based on information that is limited or incomplete, and that will include taking into account social and ethical responsibility in their decisions.
- The students should communicate their conclusions and knowledge and decisions in a clear and concise manner
- The students will acquire the ability to keep on learning about the subject so that they can be self-directed and autonomous in the future.
- The students will learn the principles of financial management that will allow them to bring new and innovative ideas and solutions to the problems to come.
- The students will be able to related theory and practices in a way to be able to apply their knowledge in different organizational context.
- The students will master the sufficient skills to obtain and analyze information related to the firm and its operating environment, evaluate its relevance, validity and understand how to adapt it to complex situations taking into account the way in which the decisions affect the rest of the departments in the firm.
- The students will learn and understand how to solve complex problems in different types of organizations including firms, Non-for-profit organizations, public administrations, and the like.
- The students will further develop their abilities to work in teams and their leadership skills.
- The students will learn to have a global view of the firm.
- The students will also learn to evaluation information about the firm using statistical measures
- The students will learn how to elaborate accounting information that is destined both to the firms' shareholders and other external parties, as well as internal members of the firm that do management control, decision making, budgeting.
- The students will learn valuation methods applied to financing and investment.
- The students will learn the viability of an idea or business by studying in depth all the aspects related to the opportunity (human capital, financial issues, economic environment, etc)
- The students will also learn to develop the corresponding business plan.

DESCRIPTION OF CONTENTS: PROGRAMME

1. PART I : Overview on Valuation, Mergers and Acquisitions
 - 1.1 Valuation and M&A: Overall methods
 - 1.2 Balance Sheet and Accounting Valuation: Shortcomings.
 - 1.3 Market Value: Equity and Debt
2. PART II: Assets and Project Valuation
 - 2.1 Project Analysis Using Discounted Cash Flow (DCF)
 - 2.1.1 Forecasting and Valuing Cash Flows
 - 2.2 Project Risk Analysis:
 - 2.2.1 Montecarlo and Scenario Analysis
 - 2.2.2 Flexibility and Decision Trees (Magna Charter)

3. PART III: Enterprise and Company Valuation. Synergies.
 - 3.1 Relative Valuation Using Market Comparable and PER
 - 3.2 Enterprise Valuation: Apple and Microsoft
 - 3.3 Other relative valuation methods. Amazon
4. PART IV: Derivatives and Real Options: Flexibility Value
 - 4.1 Financial Futures, Options, and the Valuation of Real Investments
 - 4.2 Using Futures and Options to Value Real Investments
 - 4.3 Managerial Flexibility and Project Valuation: Real Options
5. PART V: Mergers and Acquisitions. Venture Capital
 - 5.1 Evaluating and pricing acquisitions
 - 5.2 Identifying and implementing operational synergies
 - 5.3 Creating shareholder value through rigorous merger analysis
 - 5.4 Venture Capital

LEARNING ACTIVITIES AND METHODOLOGY

Theory and practice lessons
 Tutorials with the professor
 Team and individual work

ASSESSMENT SYSTEM

Final exam: 50%
 Continuous evaluation: 50%, that will consist on a homework case or exercise (20%) and a midterm exam (30%)

% end-of-term-examination:	50
% of continuous assessment (assignments, laboratory, practicals...):	50

BASIC BIBLIOGRAPHY

- Bodie, Kane and Marcus Essentials of Investments, McGraw-Hill, 10/e. , 2017
- Brealey, Myers & Allen Principles of Corporate Finance, McGraw Hill,14/e,, 2017

ADDITIONAL BIBLIOGRAPHY

- Juan Mascareñas Pérez-Iñigo Fusiones y Adquisiciones de Empresas, 7/e , Ecobook, 2019
- Pablo Fernández Valuation Methods & Shareholder Value Creation, Academic Press, 1/e, 2001