



ME2030 Finance, Corporate Valuation 6.0 credits

Finansiering, företagsvärdering

This is a translation of the Swedish, legally binding, course syllabus.

If the course is discontinued, students may request to be examined during the following two academic years

Establishment

Course syllabus for ME2030 valid from Autumn 2011

Grading scale

A, B, C, D, E, FX, F

Education cycle

Second cycle

Main field of study

Industrial Management

Specific prerequisites

Course ME2029 or ME2064 finished and passed.

Basic course in industrial management or similar. Exemption for those students in program CMATD, who have read the course MH1021 in autumn 2009 or 2010.

Language of instruction

The language of instruction is specified in the course offering information in the course catalogue.

Intended learning outcomes

After passing the course the participants should be able to:

- Choose the appropriate valuation model for the valuation to be conducted.
- Collect and handle the data needed for the valuation.
- Construct and use a free cash-flow based model for enterprise valuation.
- On their own do a complete valuation of a high tech enterprise.
- Present a valuation for the management of a company.
- Identify and quantify the value creation of an enterprise.
- Evaluate the most common stock-based compensation schemes.

Course contents

The course builds on lectures, guest lectures and a number of seminars and a project. The purpose of the lectures is to give a good knowledge of theories, how they can be applied and a practical guidance in how to set up a free cash-flow valuation model. The guest lectures will cover how the people in the industry are doing valuations.

The main areas covered during the course are:

- Discounted cash-flow models
- Models that build on multiples
- Stock option plans
- Shareholder value and private equity

Course literature

Koller, T., Goedhart, M. & Wessels, D., Valuation, Measuring and Managing the Value of Companies, 4th edition, University edition, John Wiley & Sons, 2005.

Examination

- SEM1 - Seminars, 3.0 credits, grading scale: P, F
- TEN1 - Examination, 3.0 credits, grading scale: A, B, C, D, E, FX, F

Based on recommendation from KTH's coordinator for disabilities, the examiner will decide how to adapt an examination for students with documented disability.

The examiner may apply another examination format when re-examining individual students.

Other requirements for final grade

Written exam, Active participation in seminars, pass on assignments and project.

Ethical approach

- All members of a group are responsible for the group's work.
- In any assessment, every student shall honestly disclose any help received and sources used.
- In an oral assessment, every student shall be able to present and answer questions about the entire assignment and solution.