



ME2030 Finance, Corporate Valuation 6.0 credits

Finansiering, företagsvärdering

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

Establishment

Course syllabus for ME2030 valid from Spring 2015

Grading scale

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

Education cycle

Second cycle

Main field of study

Industrial Management

Specific prerequisites

Pass on Basic course in industrial management or similar and Pass on one of the following courses, Course ME1311 Corporate Finance, Course ME2029 Corporate Finance, or ME2064 Finance and Control in Industrial Organizations.

In addition to the above a good command in using Excel will be beneficial. Seminar assignments and the projects build on using Excel.

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:

- Use the latest theory within the area of corporate valuation.
- Do a valuation of a company by using the free cash-flow model that they have constructed and built during the course, this incorporates also to do an advanced strategic and financial analysis of a technology based enterprise, and to build a computer based valuation model with all necessary features enabling this analysis.
- Have a good knowledge of other models for valuation, particularly valuation by multiples.
- Write a valuation report that meets the professional standards in the finance industry.
- Show an excellent skill in explaining what factors that influence the value of a company.
- And have a good understanding of the practical problems that are to be mastered when doing a valuation of a company.

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 industry is doing valuations. The main areas covered during the course are:

- Discounted cash-flow models
- Models that build on multiples
- Strategic and financial analysis of technology companies
- Shareholder value and private equity

Course literature

Koller, Goedhart och Wessels, 2010, Valuation Measuring and Managing the Value of Companies. Fifth edition, university edition. John Wiley & Son.

Sörensson, Tomas, 2011, The Equity risk Premium on the Swedish StockMmarket, working paper, KTH- Royal Institute of Technology, Stockholm.

Under kursen utdelade artiklar och material / Handouts during the course.

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.

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

Other requirements for final grade

Pass on assignments and project with mandatory participation, active participation in seminars, and final exam.

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.