



ME2090 Finance, Corporate Valuation 6.0 credits

Finansiering, företagsvärdering

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

Establishment

Grading scale

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

Education cycle

Second cycle

Main field of study

Industrial Management

Specific prerequisites

Passed basic course in industrial economics and organisation, passed in one of the courses ME2311 Funding and ME2029 funding or ME2064 Finance and Control in Industrial Organizations.

Exemption from the basic course in industrial economics may the students who have read MH1021 the autumn 2009 or 2010 within the program CMAST.

In addition to this is it an advantage with good skills in the use of Excel. The written assignments and the valuation project are based on the use of Excel

Language of instruction

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

Intended learning outcomes

On completion of the course, the student should be able to:

- use the latest theory in the area of valuating companies
- value a company by means of the individually built cash-flow model, including to make an advanced strategic and financial analysis of a technology-based company to build a computer-based valuation model with all necessary functions to make this analysis.
- have good knowledge of other valuation approaches, particularly multiple valuation
- produce a valuation report meeting the professional standards of the financial market.
- demonstrate good ability to account for what that influences the value of a company
- and have good understanding of the practical problem that is associated with values of company.

Course contents

The course consists of lectures, guest lectures, model construction with seminars and with a technology-based company as the valuation project. The aim of the lectures is to provide theoretical knowledge about different models and how they can be used, as well as guidance in practical model construction. The guest lectures mainly intend to give an insight in how financial departments, and consultants work. Main fields of study that are treated are:

- Cash-flow models
- Models for comparing values.
- Strategic and financial analysis of technology-based companies.
- Shareholder value, values of venture capital/private equity financed companies

Course literature

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

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

Articles and material distributed during the course

Examination

- SEM1 - Seminar, 2.0 credits, grading scale: P, F
- SEM2 - Seminar, 2.0 credits, grading scale: P, F
- TEN1 - Exam, 2.0 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.

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.