



ME2090 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

On 11/04/2019, the Dean of the ITM school has decided to establish this official course syllabus to apply from spring term 2020 (registration number M-2019-0759).

Grading scale

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

Education cycle

Second cycle

Main field of study

Industrial Management

Specific prerequisites

ME1003 Industrial Management, Basic Course and ME1311 Corporate Finance or ME2064 Finance and Control in Industrial Organizations completed.

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 students should be able to:

1. Explain and discuss the latest theory in the area to evaluate companies
2. explain what a discounted cash flow and multiple valuation are, and give an account of and analyse the differences between these valuation models
3. explain and discuss which factors that influence the value of a company
4. design a valuation model in Excel with all necessary functions to evaluate a company
5. evaluate a company with the discounted cash flow model by using the model that is built in Excel, based on an advanced strategic and financial analysis of a technology-based company, and completed with a multiple valuation
6. write a valuation report meeting the professional standards of the financial market.
7. in a completed evaluation, in a correct way consider the practical problems that are associated with evaluation of companies.

Course contents

The course consists of lectures and computer exercises/seminars and with a technology-based company as a 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 design. The guest lectures mainly intend to give an insight into 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

Examination

- SEM3 - Seminar, 2.0 credits, grading scale: P, F
- TEN2 - Exam, 4.0 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.

There are modules with compulsory attendance in the course.

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.