COURSE DESCRIPTION

This course integrates finance and accounting concepts into the equity asset valuation process. Various contemporary models are used to determine the intrinsic value of an equity security and students are expected to apply these techniques successfully to real cases. The course design follows closely to the CFA Institute Investment Series.

This course is fundamental to students who are serious in pursuing a career directly relating to Investment Banking, Equity Analysis, Private Equity and Project Valuation.

Students are expected to use the Bloomberg Terminal. Students should be familiar with Excel.

COURSE MATERIALS

Lecture notes and assignments will be distribute via Blackboard. All lecture notes are prepared by the instructor.

Textbook and reference books are optional.


References:
- “The Intelligent Investor, The Definitive Book on Value Investing”, Benjamin Graham

FINAL GRADE ASSIGNMENT

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<thead>
<tr>
<th>Grades</th>
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<tbody>
<tr>
<td>Attendance</td>
<td>5%</td>
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<tr>
<td>Class Participation</td>
<td>5%</td>
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<tr>
<td>Case Studies</td>
<td>50% (team of 2) Final Case Competition 40% (team of 2)</td>
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Finance (22:390:677)

COURSE SCHEDULE

Week 1: Equity Valuation Process

Week 2: Market-Based Valuation – Price Multiples Part 1 Case Study #1: Applying historical price multiples

Week 3: Price Multiples Part 2

   Dividend Growth Model

Week 4: Multi-Stage Dividend Model

   Case Study #2: Comparable Analysis

Week 5: Balance Sheet, Income Statement

Week 6: Cash Flow Statement and Free Cash Flows Case Study #3: Dividend Growth model

Week 7: DCF -- FCFF and FCFE Valuation.

Week 8: Cost of Capital, Enterprise Value and Intrinsic Value Case Study #4: FCFF and FCFE valuation

Week 9: Residual Income Valuation

   Case Study #5: Residual Income Method

Week 10: Value vs. Growth?

Week 11: Growth & ROIC; Wall Street vs. Main Street Week 12:

Football Analysis & Presentation of Research Week 13: Stock Screening and Selection

Week 14: Investment Strategies

Week 15: Final Case Competition