

BBA III/IV Year	BBA-E115		Semester-V/VI/VII/VIII		
	Business Analysis and Valuation				
Time Allotted for End Semester Examination	Marks Allotted for Internal Assessment	Marks Allotted for End Term Examination(ESE)	Maximum Marks (MM)	Total Credits	Maximum Hours
3 Hrs.	30(20+10)	70	100	04	40

	Course Outcomes:	Mapped Program Outcomes
CO.1	To understand the various methods of Equity and Firm valuations both in certain and risky conditions.	PO.1, PO.2, PO.3,PO.7
CO.2	To understand financial statements to be able to forecast the future performance of a firm.	PO.1, PO.2, PO.3,PO.7
CO.3	To discuss the use of discounted cash flow valuations including practical problems and solutions.	PO.1, PO.2, PO.3,PO.4, PO.5,PO.6, PO.7, PO.8
CO.4	To analyse a firm's business strategy and financial performance using real-world data.	PO.1, PO.2, PO.3,PO.4, PO.5,PO.6, PO.7, PO.8
CO.5	To apply relative valuation techniques to value companies, to extract 'priced in' performance and to communicate valuation information	PO.1, PO.2, PO.3,PO.4, PO.5,PO.6, PO.7, PO.8
CO.6	To create a written analysis and valuation of a Indian listed company, which incorporates and synthesises the strategic, accounting and financing techniques	PO.1, PO.2, PO.3,PO.4, PO.5,PO.6, PO.7, PO.8

- Analysis of Corporate Financial Statements: Income statements and Balance sheets through ratio analysis and analyzing the Chairman's statement, Directors' report, management discussion & analysis, report on corporate governance, auditor's report to evaluate the financial soundness of the company. **(10 Hour)**
- Cash Flows: Firm cash flows, Earnings, Tax effect, Reinvestment needs; Equity cash flows: Dividend, Forecasted Cash flows, terminal value estimation approaches. Equity discounted cash Flow Models- Dividend discount models. **(10 Hours)**
- Introduction to Valuation: Approaches to valuation, Discounted Cash Flow, Relative Valuation, Role of valuation; Discounted Cash flow Valuation: Estimating discount rates- cost of equity, cost of equity to cost of capital; Valuation of an asset with guaranteed cash flows, introducing uncertainty into valuation (valuing an asset with default risk & equity risk), valuing an asset with an infinite life. **(10 Hours)**
- Firm Valuation Models: Cost of capital approach, adjusted present value approach, EVA, Capital structure and firm value. Relative valuation-popularity and potential pitfalls; reconciling relative and discounted cash flow valuation Equity Multiples; Value Multiples; Valuation of different kinds of companies. **(10 Hours)**

#### SUGGESTED READINGS:

1. Peek, E (2022). *Business Analysis and Valuation : IFRS* : Cengage Learning EMEA.
2. Jordan (2020), *Fundamentals of Investments: Valuation And Management*: Mc Graw Hill.
3. Chandra.P ( 2020), *Corporate Valuation*: Mc Graw Hill.



4. Damodaran, A. (2012). *Damodaran on Valuation, Security Analysis for investment and Corporate Finance*: Wiley.

**NOTE:** The list of cases, specific references and books including recent articles will be announced in the class by concerned teachers from time to time.

