I> Course Content:

Semester	III-Core
Subject	Corporate Valuation, Mergers & Accquisitions (CVMA)
Course Code	MMSFC302 (RGCMS)
Credits	4
Duration	40 hrs

Learning Objective:

1.	To understand the process and set of procedures to be used to estimate the value of a Company
2.	To learn to make strategic decisions in M&A to enhance a company's growth.

Module

Sr. No.	Content	Activity	Course Outcome
1	Over view of valuation: Approaches to valuation, valuation process, uses of valuation, information needed for valuation, Judicial and regulatory overview.	Lecture and classroom discussion	MMSFC302.1
2	Financial statements, leverage and working capital from valuation perspective.	Lecture and exercises	MMSFC302.1
3	Calculation of valuation inputs Risk measurement, looking for relationships in data, cost of capital, FCFF and FCFE, growth rates.	Lecture and exercises	MMSFC302.2
4	Discounted approaches to valuation 1. Discounted Cash Flow Valuation a. Basics b. Estimating Inputs c. Discount Rates d. Growth flows e. Growth Patterns 2. Dividend discount model a. Constant growth model b. Zero growth model c. Two stage model d. H model e. Three stage model	Lecture and problem solving	MMSFC302.2
5	Other Non-DCF valuation models 1. Relative valuation model a. PE b. PEG c. Relative PE ratio d. Enterprise value multiples e. Choosing the right multiples	Lecture and problem solving	MMSFC302.3

	2. Book value approach 3. Stock and debt approach Special cases of valuation 1. Intangibles –Brand, Human valuation etc 2. Real Estate 3. Start up firm 4. Firms with negative earnings 5. Financial service companies 6. Distressed firms 7. Valuation of cash and cross holdings 8. Warrant and convertibles 9. Cyclical & non-cyclical companies 10. Holding companies 11. E-commerce firm		
6	Option pricing applications in valuation	Lecture and problem solving	MMSFC302.4
7	Writing a valuation report	Lecture	MMSFC302.4
8	Introduction to Mergers & Acquisitions Types of restructuring, regulatory considerations, takeover code, M&A process.	Classroom discussion	MMSFC302.5
9	M &A valuation and modeling: Inputs to valuation model, Inputs from due diligence and calculation of the value of the company.	Problem solving	MMSFC302.5
10	Deal structuring and financial strategies: Negotiations, payment and legal considerations, tax and accounting considerations, financing of the deal.	Classroom discussion	MMSFC302.6
11	Alternative business restructuring strategies: Joint ventures, strategic alliances, demergers or spin offs, split off, divestiture, equity carve out.	Classroom discussion.	MMSFC302.6

II> Course Outcomes

Course Code	Course Outcomes	Cognition
	Students will be able to:	
MMSFC302.1	Understand the basic concepts of valuation, factors affecting valuation and the role of leverage, working capital and ratios in valuation	Understand
MMSFC302.2	Calculate the elements of risk, return and cash flows and understand overview of valuation using discounted cash flow methods and ability to calculate the same	Apply
MMSFC302.3	Understand different alternative methods used in valuation	Understand
MMSFC302.4	Perform valuation of real options with help of binomial model and Black and Scholes model & the guidelines to be followed in valuation reports	Understand
MMSFC302.5	Calculate the value of a company and understand the various forms of business restructuring, the regulatory aspects and the M& A process.	Apply

Finance
Sem III

| MMSFC302.6 | Understand the different methods of financing, payment and tax considerations and other factors important for deal structuring and the alternative business restructuring methods for creation of shareholders wealth | Understand |

Reference Books

1.	Damodaran , Investment Valuation
2.	Palepu, Healy and Bernard, Business Analysis and Valuation Using Financial Statements.
3.	Sudi Sudarsanam , Creating Value from Mergers & Acquisitions.