


5.00 credits

30.0 h

Q2

Teacher(s)	Iania Leonardo ;
Language :	English
Place of the course	Louvain-la-Neuve
Prerequisites	<ul style="list-style-type: none"> • Contrôle de gestion [LLSMF2001] • Corporate Finance [LLSMS2010] • Fundamental mathematical and statistical concepts (such as those covered in Mathématiques avancées et fondements d'économétrie [LECGE1337]) • Advanced Finance [LLSMS2100A or LLSMS2100B]
Main themes	<p>In this class we value and price small/big, simple/complex, and young/distressed businesses (and projects). Valuation is performed via three main methods/models: intrinsic valuation, relative valuation and contingent valuation. The models are presented with real-world examples so as to capture some of the problems inherent in applying these models. We explore in details the pros and cons of each method and discuss under which circumstances one particular methods is to be preferred relative to another one. The class uses a flipped classroom approach, whereby the students work in small groups that are closely followed by the professor in the execution of their tasks.</p>
Learning outcomes	<p>At the end of this learning unit, the student is able to :</p> <p><i>During their programs, students of the LSM Master's in management or Master's in Business engineering will have developed the following capabilities</i></p> <p>A SCIENTIFIC AND SYSTEMATIC APPROACH</p> <p>3.3 Consider problems using a systemic and holistic approach: recognize the different aspects of the situation and their interactions in a dynamic process.</p> <p>1 WORK EFFECTIVELY IN AN INTERNATIONAL AND MULTICULTURAL ENVIRONMENT</p> <p>5.2 Understand the international socio-economic dimensions of an organization and identify the associated strategic issues and operational decisions.</p> <p>TEAMWORK AND LEADERSHIP</p> <p>6.1 Join in and collaborate with team members. Be open and take into consideration the different points of view and ways of thinking, manage differences and conflicts constructively, accept diversity.</p>
Evaluation methods	<p>Continuous evaluation</p> <ul style="list-style-type: none"> • Date: will be specified later • Type of evaluation: Group Assignment, Closed-book written test. • Comments: No <p>Evaluation week</p> <ul style="list-style-type: none"> • Oral: No • Written: No • Unavailability or comments: No <p>Examination session</p> <ul style="list-style-type: none"> • Oral: No • Written: No • Unavailability or comments: No
Teaching methods	<ul style="list-style-type: none"> • Lectures • Flipped-classroom • Teamwork
Content	The content of the course is the following:

	<ul style="list-style-type: none"> • <i>Discounted Cash Flow Valuation</i> <ul style="list-style-type: none"> • Estimating Inputs: Discount Rates, Cash flows, Growth and Terminal Value; • Choosing the Right Model; • Tying up Loose Ends <ul style="list-style-type: none"> • Dealing with Cash, Cross Holdings and Other Assets; • Dealing with Management Options/ Warrants/ Convertibles; • Examples. • <i>Relative Valuation</i> <ul style="list-style-type: none"> • Basics and Tests; • Multiples: Earning multiples, book to value multiples, revenue multiples, sector specific multiples and other multiples; • Choosing the Right Multiple; • Examples. • <i>Asset Based and Liquidation Value</i> • <i>Contingent valuation:</i> <ul style="list-style-type: none"> • Introduction to Option Pricing Applications in Valuation; • Option to delay; • Option to expand; • Option to abandon; • Examples.
Bibliography	Investment Valuation: Tools and Techniques for Determining the Value of any Asset (3rd Edition) , by Aswath Damodaran, Wiley
Faculty or entity in charge	CLSM

Programmes containing this learning unit (UE)				
Program title	Acronym	Credits	Prerequisite	Learning outcomes
Master [120] in Management	GEST2M	5		
Master [120] in Management [CEMS Programme]	GESM2M	5		