



COURSE SPECIFICATIONS (CS)

Corporate Valuation

Course Code: FIN 411



Department of Finance



هيئة تقويم التعليم
Education Evaluation Commission

College of Business Administration

Course Specifications

Institution: Prince Sattam Bin Abdulaziz University	Date of Report: September 2017
College/Department: College Of Business Administration/Finance Department	

A. Course Identification and General Information

1. Course title and code: Corporate Valuation / FIN411			
2. Credit hours 3 (3+0+0)			
3. Program(s) in which the course is offered. (BSBA- Finance) (If general elective available in many programs indicate this rather than list programs)			
4. Name of faculty member responsible for the course: Dr. Habib Hasnaoui			
5. Level/year at which this course is offered: 7			
6. Pre-requisites for this course (if any) FIN 301			
7. Co-requisites for this course (if any):			
8. Location if not on main campus: College of Business Administration, Al Kharj			
9. Mode of Instruction (mark all that apply)			
a. Traditional classroom	<input checked="" type="checkbox"/>	What percentage?	<input type="text" value="80"/>
b. Blended (traditional and online)	<input type="checkbox"/>	What percentage?	<input type="text"/>
c. e-learning	<input type="checkbox"/>	What percentage?	<input type="text"/>
d. Correspondence	<input type="checkbox"/>	What percentage?	<input type="text"/>
f. Other (Moodle LMS)	<input checked="" type="checkbox"/>	What percentage?	<input type="text" value="20"/>
Comments: The students need to have hands-on experience of the valuation process particularly done in the KSA corporate world by using various corporate valuation techniques.			

B Objectives

<p>1. What is the main purpose for this course? The course will focus on valuation of public companies considering how financial decisions may affect the value of the firm's investment projects. The course will be segmented into three major sections. First, we will discuss the drivers of corporate value. We will next examine how to build an ROIC-based valuation model, and how this differs from and compliments the traditional discounted cash flow model. Second, we build an integrated valuation model using discounted cash flow. The section starts with the fundamentals of forecasting, how to determine the appropriate forecast period, and issues related to continuing value. We next move to issues related to discounting. We will discuss alternative methods of discounting, such as the weighted average cost of capital (WACC), adjusted present value (APV), capital cash flow, and equity valuation methodologies. The section will cover each component of the cost of capital (the cost of equity and cost of debt) in detail.</p>
<p>2. Briefly describe any plans for developing and improving the course that are being implemented. (e.g. increased use of IT or web based reference material, changes in content as a result of new research in the field)We can have more localization of the syllabus and have more Saudi inclined text and examples. Setup a Moodle LMS course virtually and ask students to register. This will provide a virtual place for students to create, share and learn outside the classroom with their classmates.</p>

C. Course Description (Note: General description in the form to be used for the Bulletin or handbook should be attached)

1. Topics to be Covered		
List of Topics	No. of Weeks	Contact Hours
<p>➤ Introduction of Valuation and Value Creation</p> <p>1. Introduction, 2. Bias in Valuation 3. Different Methods 4. Valuation complexity</p>	3	9

<p>➤ Drivers of Corporate Valuation</p> <ol style="list-style-type: none"> 1. Discounted Cash Flow Model 2. ROIC Model 3. CAPM 4. WACC 5. APT 	3	9
<p>➤ Discounted Cash Flow Valuation Method</p> <ol style="list-style-type: none"> 1. Integrated Valuation Model using Discounted Cash Flow 2. Estimation of Cash Flow 3. Adjusted Present Value (APV) 	3	9
<p>➤ Fundamentals of Forecasting</p> <ol style="list-style-type: none"> 1. Introduction 2. Process of Forecasting 3. Forecasting Methods 4. Matching the Forecasting Methods 	3	9
<p>➤ Cost of Capital</p> <ol style="list-style-type: none"> 1. Introduction to Cost of Capital 2. Valuation Methods 3. The Cost Of Equity 4. The Cost Of Debt 	3	9
Total	15	45

2. Course components (total contact hours and credits per semester):

		Lecture	Tutorial	Laboratory/ Studio	Practical	Other :	Total
Contact Hours	Planned	45	n/a	n/a	n/a	n/a	45
	Actual	45	n/a	n/a	n/a	n/a	45
Credit	Planned	3	n/a	n/a	n/a	n/a	03
	Actual	3	n/a	n/a	n/a	n/a	03

3. Additional private study/learning hours expected for students per week.

6 Hrs

4. Course Learning Outcomes in NQF Domains of Learning and Alignment with Assessment Methods and Teaching Strategy

On the table below are the five NQF Learning Domains, numbered in the left column.

First, insert the suitable and measurable course learning outcomes required in the appropriate learning domains (see suggestions below the table). **Second**, insert supporting teaching strategies that fit and align with the assessment methods and intended learning outcomes. **Third**, insert appropriate assessment methods that accurately measure and evaluate the learning outcome. Each course learning outcomes, assessment method, and teaching strategy ought to reasonably fit and flow together as an integrated learning and teaching process. (Every course is not required to include learning outcomes from each domain.)

	NQF Learning Domains And Course Learning Outcomes	Course Teaching Strategies	Course Assessment Methods
1.0	Knowledge At the conclusion of this course the student will be able to:		
1.1	Outline appreciate drivers of corporate value	Lecture in the class where the previous information is linked to the current and future topics.	Oral and written Quizzes; Exams with a combination of MCQs, Short answer and Essay questions
1.2	Define corporate valuation based on ROIC model. @ 1.4		
2.0	Cognitive Skills At the conclusion of this course the student will be able to:		
2.1	Evaluate integrated corporate value using discounted cash flow model. @ 1.4	Use of Case studies and industry examples	Assessment of cognitive skills occurs in the range of assessment methods employed i.e. in class problem sets; home work assignments; mid-term and end-term semester examinations with a combination of MCQs, true or false, short answer questions, essay type and numerical
2.2	Differentiate the valuation techniques used in the industry. @ 1.4	Predict Valuation	

			questions
3.0	Interpersonal Skills & Responsibility At the conclusion of this course the student will be able to:		
3.1	Demonstrate to relate and collaborate effectively with peer groups. @ 3.3	Interpersonal skills are developed through individual or group assignments, whole group and small group discussions. Case Studies and Brain Storming	Assessment of students interpersonal skills occurs in the range of assessment methods employed i.e. Moodle LMS reports. Analytical reports and mini projects to be organized.
4.0	Communication, Information Technology, Numerical At the conclusion of this course the student will be able to:		
4.1	Assess the need to use financial tools for leaning and working on Valuations problems.	Presentation of PPT programs and lab demonstration using Calculators	Graphic organizers and Projects to be given.
5.0	Psychomotor n / a Not Applicable		

5. Schedule of Assessment Tasks for Students During the Semester			
	Assessment task (e.g. essay, test, group project, examination, speech, oral presentation, etc.)	Week Due	Proportion of Total Assessment
1	Mid Term Examination – 1	8 th	15%
2	Mid Term Examination – 2	14 th	15%
3	Quizzes	3 rd , 8 th and 13 th	10%
4	Assignments and Mini Project	14 th	10%
7	Final Examination	16 th	50%
8	Total		100%

D. Student Academic Counseling and Support

1. Arrangements for availability of faculty and teaching staff for individual student consultations and academic advice. (include amount of time teaching staff are expected to be available each week)

CBAK faculty is available for their students for 6 office hours per week where students can set up appointments. In addition to these office hours, faculty can be contacted through e-mail and telephone.

E. Learning Resources

1. List Required Textbooks

Koller, Goedhart, & Wessels. (2007). Valuation: Measuring and Managing the Value of Companies: John Wiley & Sons. (4th edition).

2. List Essential References Materials (Journals, Reports, etc.)

- **Journal of Business Valuation and Economic Loss Analysis, <http://econpapers.repec.org/article/bpjibvela/>**
- **Business Valuation of Sample Industries, <http://businessvaluation.bz/wp-content/uploads/2013/11/Comprehensive-Valuation-Sample-American-Fortune-PDF.pdf>**

3. List Recommended Textbooks and Reference Material (Journals, Reports, etc)

- **Besant, Raj. (2002). Corporate Financial Management: McGraw- Hill.**
- **Westerfield, Ross. (2007). Fundamentals of Corporate Finance: McGraw- Hill.**
- **Emery, Finnerty, & Stowe. (2007). Corporate Financial Management: Prentice Hall.**
- **Ogden, Jen, & O' Conner. (2003). Advance Corporate Finance: Prentice Hall.**

4. List Electronic Materials(eg. Web Sites, Social Media, Blackboard, etc.)

- **<http://apastyle.apa.org/>**
- **<http://www.docstyles.com/apastyle.htm>**

5. Other learning material such as computer-based programs/CD, professional standards or regulations and software.

- **CD on Corporate Valuation Models**
- **Multimedia and online resources associated with text book and relevant websites**

F. Facilities Required

Indicate requirements for the course including size of classrooms and laboratories (i.e. number of seats in classrooms and laboratories, extent of computer access etc.)

1. Accommodation (Classrooms, laboratories, demonstration rooms/labs, etc.)

Lecture room with capacity at least 10 seat

2. Computing resources (AV, data show, Smart Board, software, etc.)

Internet connection and unique data sets for each students depending on the class size. Access to platform of Bloomberg and such type of consultancies

3. Other resources (specify, e.g. if specific laboratory equipment is required, list requirements or attach list)

Computer lab for mini-project

Tie-up with Qimah organization for better industry and academia interaction.

G Course Evaluation and Improvement Processes

1 Strategies for Obtaining Student Feedback on Effectiveness of Teaching

Students Feedback through survey:

At the end of each academic semester, students' feedback is taken. A survey form entitled, *Course Evaluation Survey* (CES) provided by NCAAA is administered by Quality & Development Unit regularly using the Survey Monkey portal. In the CES, Q.No.5 to Q.No.9 reflects the students' opinion on the effectiveness of teaching. Further, students can also provide their feedback on the effectiveness of teaching using the open ended questions given at the end of CES.

2 Other Strategies for Evaluation of Teaching by the Program/Department Instructor

Peer-Observation:

A senior faculty from the college/department nominated by DC visits the class and observes at least 2-3 classes during the entire semester. Peer observer provides his feedback on a template provided by Deanship of Development & Quality viz. *class observation form* for developing the teaching learning process.

Self-Assessment:

At the end of each semester, the course instructor self-reflects his experiences during the semester and prepares the *course report*, which is discussed at the DC/CC for further improvement.

3. Processes for Improvement of Teaching.

Conduct of workshop on Teaching Methodology:

Each academic year Deanship of Development & Quality conducts various workshops on teaching methodologies and tools and faculty are nominated to attend these workshops.

Periodical Review of the Teaching Strategies:

The Department council periodically reviews the teaching strategies of individual faculty members mentioned in course specifications and suggest measures for Improvement of Teaching.

4. Processes for Verifying Standards of Student Achievement (e.g. check marking by an independent member teaching staff of a sample of student work, periodic exchange and remarking of tests or a sample of assignments with staff at another institution).

In-house check marking of final Assessment Sheets

Check marking by an independent member of teaching staff of a sample of student work

External Experts Independent verification and opinion:

Department randomly select the samples of students' work (Exam answer sheets, home assignments etc.) from the faculty course portfolio and send it to the external evaluators already identified by each department.

Maintaining the Course Portfolio:

Each semester updating the course portfolio by providing samples of all kind of assessment.

5 Describe the planning arrangements for periodically reviewing course effectiveness and planning for improvement.

The course material and learning outcomes are periodically reviewed and the changes to be taken are approved in the departmental and higher councils.

The head of department and faculty take the responsibility of implementing the proposed changes.

Faculty or Teaching Staff: _____ **Dr. Habib Hasnaoui**

Signature: _____ **Date Report Completed: September, 2016**

Received by: Dr. Nabil F. Maalel _____ **Dean/Department Head**

Signature: _____ **Date:** _____