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| 1. Course code: | | FIN627 | | | 1. Course title: | | | | | | Financial Analysis and Valuation | | | | | | | | | | |
| 1. College: College of Business Administration | | | | | | | | | | | | | | | | | | | | | |
| 1. Department: Economics and Finance | | | | | | | | | | | | | | | | | | | | | |
| 1. Program: MSc Finance | | | | | | | | | | | | | | | | | | | | | |
| 1. Course credits: 3-credit hour | | | | | | | | | | | | | | | | | | | | | |
| 1. Course NQF Level: 9 | | | | | | | | | | | | | | | | | | | | | |
| 1. NQF Credits: TBA | | | | | | | | | | | | | | | | | | | | | |
| 1. Prerequisite: FIN620 | | | | | | | | | | | | | | | | | | | | | |
| 1. Lectures Timing & Location: Online | | | | | | | | | | | | | | | | | | | | | |
| 1. Course web page: Blackboard | | | | | | | | | | | | | | | | | | | | | |
| 1. Course Instructor: Dr. Gökhan Bora Aktan | | | | | | | | | | | | | | | | | | | | | |
| 1. Office Hours and Location: MTeams weekdays between 9am-5pm only | | | | | | | | | | | | | | | | | | | | | |
| 1. Course coordinator: Dr. Gökhan Bora Aktan | | | | | | | | | | | | | | | | | | | | | |
| 1. Academic year: 2020-2021 | | | | | | | | | | | | | | | | | | | | | |
| 1. Semester: | | |  | **First** | | | | X | | | | **Second** | | |  | | | **Summer** | | | |
| 1. Textbook(s):   -Subramanyam, K. R. (2014). Financial Statement Analysis. 11e. McGraw Hill.  -Damadoran, A. (2012). Investment Valuation: Tools and Techniques for Determining the Value of any Asset. 3e University Edition. Wiley  -Palepu, Healy & Erik Peek. (2013). Business Analysis and Valuation. IFRS ed. 3e. Cengage  -Koller, Goedhart & Wessels. (2015). Valuation. 6e. McKinsey & Company. Wiley  -Titman & Martin (2016). Valuation. 3e. Pearson | | | | | | | | | | | | | | | | | | | | | |
| 1. References from the Library (<http://www.ac-knowledge.net/uobv3/>) | | | | | | | | | | | | | | | | | | | | | |
| 1. Other learning resources used (e.g. e-Learning, field visits, periodicals, software, etc.):   Handouts and Research articles: High ranked academic journals in Finance & Economics/Econometrics indexed by Thomson Reuters and/or SCOPUS such as *Journal of Finance; Review of Financial Studies; Journal of Financial Economics; Review of Finance; European Journal of Finance; Journal of Financial Markets; Journal of Financial and Quantitative Analysis; Financial Analysts Journal; Journal of Financial Econometrics; Journal of Corporate Finance; Journal of Risk and Insurance; Journal of Risk and Uncertainty; Financial Management; Journal of Business Finance and Accounting; Journal of International Money and Finance; Journal of Portfolio Management; Journal of Banking and Finance among others. Internet: Bahrain Bourse, NYSE, NASDAQ, CME, ICE, Yahoo Finance, Finviz, Morningstar among others* | | | | | | | | | | | | | | | | | | | | | |
| 1. Course description (as per the published): Interpreting and analyzing financial statements for tasks involving credit and security analyses, lending and investment decision, and other decisions that must rely on financial data. Exploring in greater depth financial reporting topics from the perspective of financial statement users. Developing sufficient understanding of the concepts and recording procedures to enable students to interpret various disclosures in an informed manner. Discussion of financial reporting issue in terms of its effect on assessments of a firm’s profitability and risk. Applying analytical tools and concepts in competitor analysis, credit and investment decision, bankruptcy prediction, mergers and acquisitions, and valuation. | | | | | | | | | | | | | | | | | | | | | |
| 1. Course Intended Learning Outcomes (CILOs): | | | | | | | | | | | | | | | | | | | | | |
| CILOs | | | | | | *Mapping to PILOs* | | | | | | | | | | | | | | | |
| Learning goals | | | | | | A. Knowledge | | | B. Communication | | | | | C. Responsibility | | | | | D. Research | | |
| Learning objectives | | | | | | A1. Knowledge | A2. Current issues | | B1. Writing communication | | | | B2. Oral communication | C1. Research ethics | | | C2. Global impact | | D1. Critical analysis | D2. Research practice | |
| 1. Have the ability to apply selectively and critically 'new' value enhancement and valuation paradigms. | | | | | | X |  | |  | | | | X |  | | | X | | X |  | |
| 2. Be able to understand the complex issues which are the proper focus of valuation analysis in the modern equity environment. | | | | | |  | X | |  | | | | X | X | | |  | | X |  | |
| 3. Be able to understand and respond creatively to cross-border financial analysis in industrial sectors. To apply selectively traditional risk measures. | | | | | | X |  | | X | | | |  |  | | | X | |  | X | |
| 4. Have the ability to identify and discuss ethical issues affecting corporate operations and reporting | | | | | | X |  | |  | | | | X | X | | | X | |  | X | |
| 5. Demonstrate the ability to critically appraise the usefulness of corporate financial statements in light of both accounting and finance research | | | | | | X |  | | X | | | |  |  | | | X | | X | X | |
| 1. Course assessment: | | | | | | | | | | | | | | | | | | | | |
| *Assessment Type* | *Details/ Explanation of Assessment in relation to CILOs* | | | | | | *Number* | | | *Weight* | | | | | | *Date(s)* | | | | |
| Research Assessment / Presentations | 2-3-5  \*Credit Analysis & Distress Prediction  \*Mergers & Acquisitions | | | | | |  | | | 15 % | | | | | | TBA | | | | |
| Engagement Activities | 1-2-3-5  \*Colgate (2019-2020 FSA) | | | | | |  | | | 15 % | | | | | | TBA | | | | |
| Practical |  | | | | | |  | | | % | | | | | |  | | | | |
| Case Studies |  | | | | | |  | | | % | | | | | |  | | | | |
| Research Projects | 2-3-4-5  \*Johnson & Johnson (JNJ)  #NYSE | | | | | |  | | | 30% | | | | | | TBA | | | | |
| Final Examination  (Respondus) | 1-2-3-4-5 | | | | | |  | | | 40% | | | | | | 5/6/2021 @5-7pm  -Comprehensive- | | | | |
| Total |  | | | | | |  | | | 100% | | | | | |  | | | | |

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| 1. Description of Topics Covered | |
| *Topic Title*  *(e.g. chapter/experiment title)* | *Description* |
| Introduction to Valuation | This chapter lays out a philosophical basis for valuation, together with a discussion of how valuation is or can be used in a variety of frameworks, from portfolio management to corporate finance. |
| Business Analysis and Enterprise Value | This chapter describes business analysis and the role of financial statement analysis. |
| Overview of Financial Statement Analysis | The chapter introduces financial statements and explains how they reflect underlying business activities. Several tools and techniques of financial statement analysis are also introduced. |
| Financial Statement Analysis | Application of Financial statement analysis tools and techniques is illustrated in a preliminary business analysis of Colgate. |
| Approaches to Valuation | Analysts use a wide range of models in practice, ranging from the simple to the sophisticated. Common approaches to valuation are introduced and discussed. |
| Relative Valuation | Relative valuation methods are discussed to estimate the value of an asset by looking at how similar assets are priced. |
| Credit Analysis & Distress Prediction | This chapter develops a framework to evaluate a firm’s creditworthiness and assess the likelihood of financial distress. |
| Mergers & Acquisitions | This chapter focuses how financial statement data and analysis can be used by financial analysts interested in evaluating if an acquisition creates value for an acquiring firm’s shareholders. |

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| 1. Weekly Schedule *(Tentative)* | | | | | |
| *Week* | *Date* | *Topics covered* | *CILOs* | *Teaching Method* | *Assessment* |
| *1* |  | **Introduction to Valuation**  (Ch-1-Damadoran**-**Lecture notes)  <https://www.youtube.com/watch?v=znmQ7oMiQrM> | *1* | *Lecturing-Collaborating* | *RA & EA Final* |
| *2* |  | **Business Analysis and Enterprise Value**  (Lecture notes) | *1* | *Lecturing- Collaborating* | *RA & EA Final* |
| *3* |  | **Overview of Financial Statement Analysis**  (Ch-1-Subramanyam / Ch-3 Damodaran)  Case: Colgate  <https://investor.colgatepalmolive.com/financial-information/annual-reports> | *1-2-3-4* | *Lecturing-Demonstrating* | *RA & EA Final* |
| *4* |  | **Financial Statement Analysis**  (Ch-1/2-Subramanyam / Ch-3-Damodaran)  Case: Colgate (cont.)  <https://investor.colgatepalmolive.com/financial-information/annual-reports> | *1-2-3-5* | *Collaborating* | *RA & EA Final*  *\*Analysis Rubric* |
| *5* |  | *(Discussion over Case & Research Report)* |  |  |  |
| *6* |  | **Approaches to Valuation**  (Ch-2-Damadoran**-**Lecture notes)  <http://pages.stern.nyu.edu/~adamodar/> | *2-4-5* | *Lecturing-Collaborating* | *RA & EA Final* |
| *7* |  | **Approaches to Valuation**  (Ch-2-Damadoran**-**Lecture notes) | *2-4-5* | *Lecturing-Collaborating* | *RA & EA Final* |
| *8* | *Student Break* | | | |  |
| *9* |  | **Implementation***:*  *Barnes Group #NYSE*  <https://finance.yahoo.com/quote/B?p=B> | *2-3-4-5* | *Demonstrating* | *CFA Equity Research Rubric* |
| *10* |  | *(Discussion over Research Report)* |  |  |  |
| *11* |  | **Relative Valuation**  (Ch-17-18-20 Damodaran)  Case: Nike Inc B  <https://www.morningstar.com/stocks/xnys/nke/valuation> | *3-4-5* | *Lecturing-Collaborating* | *RA & EA Final* |
| *12* |  | **Relative Valuation**  (Ch-17-18-20 Damodaran)  Case: Nike Inc B  <https://www.morningstar.com/stocks/xnys/nke/valuation> | *3-4-5* | *Lecturing-Collaborating* | *RA & EA Final* |
| *13* |  | *Review* |  |  |  |
| *14* |  | **Credit Analysis & Distress Prediction**  Independent research & Presentation  Ref: (Ch-10 Palepu et al. & Ch-10-Subramanyam) | *4-5* | *Collaborating* | *Communication Rubric* |
| *15* |  | Mergers & Acquisitions  Independent research & Presentation  Ref: (Ch-11 Palepu et al. & Ch-25 Damodaran) | *4-5* | *Collaborating* | *Communication Rubric* |