Courses in English

Course Description

Department
10 Business Administration

Course title
International Financial Modeling

Hours per week (SWS)
4

Number of ECTS credits
5

Course objective
With regard to the qualification category of knowledge and understanding, the course participants are able to:
• provide an overview of the most important valuation methods and to compare these.
• relate corporate finance to other modules such as financial management, portfolio management and derivatives.
• relate corporate planning to corporate valuation and to describe the linkages in their own words.
With regard to the qualification category of abilities, the course participants are able to:
• use their knowledge about planning and valuation methods to develop a professional standard model for corporate valuation which incorporates the principles of financial modeling.
• obtain the data necessary for a corporate valuation from information providers such as Bloomberg or Thomson Reuters and to process the data.
• independently structure complex tasks in corporate valuation and to develop independent modules to solve these tasks.
• critically evaluate the results of the corporate valuation and to clarify any differences.
• interpret the results of the corporate valuation and to independently draw conclusions for corporate finance transactions.
• review the structure of the valuation model and the results of the corporate valuation with the help of a model review.
With regard to the qualification category of competencies, the course participants are able to:
• transfer the results from the corporate valuation to other modules such as financial management, portfolio management and derivatives and to combine them with these modules.
• manage a project in the field of corporate valuation and to develop proprietary solutions in a team of valuation experts.
• compile a transparent and comprehensive documentation of assumptions and methods for a given valuation project.
• structure the process of corporate valuation and to apply the standards of professional financial modeling.
• master theoretical and empirical challenges of corporate valuation.
• apply their knowledge to specific valuation projects and to adjust it to actual valuation situations.
• critically challenge the assumptions, algorithms and results of every valuation approach.
• present and defend the valuation results in front of clients

Prerequisites
None

Recommended reading
Further Literature:

Teaching methods
Literature study, case studies on the implementation of a corporate valuation exercise as well as Excel-based exercises. With the chapter "Corporate Finance" of the textbook "Financial Modeling" and additional literature sources, the course participants have access to a comprehensive set of materials on the topic corporate finance. The implementation of the methods of corporate finance in Excel while considering the standards of financial modeling is presented in a detailed and comprehensive manner. The case studies help to implement the valuation methods for a given task in a model-based and applied fashion. Excel-based exercises help to critically assess the material studied. Test questions help in the exam preparation. The self-study of the participants is supported via e-learning.
### Assessment methods
Written exam

### Language of instruction
English

### Name of lecturer
Prof. Dr. Florent Deisting

### Email
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### Link

### Course content
1. Overview of the Methods of Company Valuation
2. Company Valuation using Discounted Cash Flow Models
   - 2.1 Basics of Corporate Planning
   - 2.2 WACC Approach
     - 2.2.1 The Idea behind the WACC Approach
     - 2.2.2 Calculating the Operative Free Cash Flows
     - 2.2.3 Determining the Cost of Capital
     - 2.2.4 Calculation of the Company Value
   - 2.6 Sensitivity Analysis
   - 2.7 Scenario Analysis
3. Company Valuation using Market Capitalization and Book Value
   - 3.1 Overview of Market Capitalization
   - 3.2 Overview of Book Value
   - 3.3 Valuation Process using Market Capitalization and Book Value
     - 3.3.1 Obtaining the Required Data
     - 3.3.2 Calculating the Market Capitalization
     - 3.3.3 Calculating the Book Value
4. Stock Market Multiples
   - 4.1 Overview of Stock Market Multiples
   - 4.2 Valuation Process with Stock Market Multiples
     - 4.2.1 Derivation of the Peer Group
     - 4.2.2 Selection of Appropriate Multiples
     - 4.2.3 Collection of the Required Data
     - 4.2.4 Calculation of the Stock Market Multiples
     - 4.2.5 Application of the Stock Market Multiples to the Target Company
5. Transaction Multiples
   - 5.1 Overview of Transaction Multiples
   - 5.2 Comparison of Stock Market and Transaction Multiples
   - 5.3 Valuation Process with Transaction Multiples
     - 5.3.1 Selection from the Database
     - 5.3.2 Narrowing Down the Selection in Excel

### Remarks