# Corporate Finance Advanced (Equity Analysis) (Degree in Business Management and Consulting)

# Prof. Stefano Bozzi

***COURSE AIMS AND INTENDED LEARNING OUTCOMES***

The course covers the subject of company valuations and examines the single stages of the entire process (analysis of financial statements, company performance forecasts and the application of valuation models).

The course will provide students with fundamental knowledge of how to apply evaluation methodology adopted by financial analysts, investment and merchantbanks and consultancy companies for company valuations.

At the end of the course students will:

1. have acquired knowledge and understanding of technical/operative procedures for the analysis of the financial history and prospects of the company under valuation;

2. have acquired knowledge and understanding of the different stages of the valuation process of a company’s capital;

3. have learned how to implement various financial models in order to estimate the value of a company;

4. have developed knowledge towards independently valuating corporate capital from the perspective of a financial analyst;

5. have acquired technical language to allow them to communicate the knowledge they have learned both clearly and efficiently.

***COURSE CONTENT***

Module one:

Interpretative analysis of company results.

– Historical analysis of the profit and loss account and the balance sheet.

– Calculating and analysing cash flow.

Forecasting company performance.

– Identifying growth «determiners».

– Estimating economic, capital and financial variables.

– Estimating cash flow.

Financial models (Dividend Discount Model and Free Cash Flow Model).

Module two:

Valuation methods in the IAS 36 impairment test.

Residual Income Model (RIM).

Market multipliers.

The comparable transaction method.

***READING LIST***

L.F. Franceschi-L. Comi (edited by), *Modelli finanziari per la valutazione d’azienda,* EDUCatt, Milano, 2015 (pages 1-160).

Supplementary course material will be posted online on the Blackboard platform.

***TEACHING METHOD***

The course will be blended and will include frontal lectures (50%) and remote teaching (50%). Frontal lectures will be based on interactive activities and case analysis. The remote teaching will consist of video-lectures (asynchronous), webinar exercises and live feedback (synchronous and via webconference). The course syllabus containing the analytical programme of the course will be posted on Blackboard.

***ASSESSMENT METHOD AND CRITERIA***

A. *Ongoing assessment*

For students who opt for ongoing assessment: 50% of the assessment will be based on two tests (an individual test worth 20% of the overall assessment, and a class test worth 30% of the overall assessment), set during the course, the procedures, content and timeframe will be posted on the course student area on Blackboard; the remaining 50% of the overall assessment will be based on a final oral test.

In order to be eligible to sit the final test students must pass the tests set during the course. Students must pass the final test ( and take it in only one of the 3 examination sessions after completing the course) in order to pass the examinationd.

B. *Unified summative assessment*

For students who opt for unified assessment, the examination will consist of a written test lasting approximately two hours, followed by a compulsory oral test.

***NOTES AND PREREQUISITES***

Students are required to possess preliminary knowledge of the preparation of balance sheets, national and international accountancy principles and the underlying principles of M&A operations.

Students who do not possess this preliminary knowledge should acquire it through individual study so as to be able to follow the course properly.

The following material is recommended:

L.F. Franceschi (edited by), *Bilancio di esercizio e principi contabili nazionali,* Vita e Pensiero, Milan, 2017.

A. Giussani, *Introduzione ai principi contabili internazionali,* Giuffré, Milan, 2017.

L.F. Franceschi-A.S. Bonaventura(edited by), *Leveraged Buy-Out e crisi d’impresa: profili economico aziendalistici,* EDUCatt, 2018.

In case the current Covid-19 health emergency does not allow frontal teaching, remote teaching will be carried out following procedures that will be promptly notified to students.

Further information can be found on the lecturer's webpage at http://docenti.unicatt.it/web/searchByName.do?language=ENG or on the Faculty notice board.