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Web: SuCourse  
Office Hours: By appointment

Course Description & Objectives

The process of measuring and managing value of companies is a central aspect of financial management. In a nutshell, managers try and add value to their firms in two ways – by enhancing the firm’s productive capacity through internal (or organic) growth, and through prudent acquisitions that dovetail the corporation’s key strengths. Therefore, not surprisingly, almost every important business decision is made by asking the question, “What is it worth?” The principal objective of this course is to provide you with the conceptual basis, intuitive reasoning, and analytical framework for making sound valuation decisions.

The course presumes that you have a good understanding of basic finance and accounting concepts. Students who are preparing for or currently pursuing a career in investment banking, corporate finance, venture capital, entrepreneurship, or business consulting will find the course material to be very useful. The course also carries a broader appeal for students who are interested in enhancing their understanding of financial analysis, and learning how businesses measure and create value for their investors.

Course Methods

By design, this is a fairly rigorous course. We will spend roughly equal amounts of time in class to discuss different valuation concepts and apply this knowledge in a variety of practical situations. In order to make the best out of each class session I will prepare lecture slides which will serve as the basis for class discussion. It is extremely important that you stay current with all the assignments and contribute to the class discussion. It is useful to remember that valuation is both an art and a science; the output from a valuation exercise is the culmination of different assumptions and modeling techniques. Therefore, those of you who are looking for precise answers to valuation questions are quite likely to be disappointed.

Course Materials

2. Other resources: Financial calculator; additional reading materials (provided by instructor).
Grade Determinants

Your overall course grade will be determined through 4 principal assessment tools: (a) Quizzes – 20% (b) Assignments – 20% (c) Final exam – 50% (d) Class Project – 10%

The final course grade will be determined based on students’ overall ranking in the class. This effectively amounts to a curve.

1. **Quizzes (20%)**: There will six quizzes that will be given at the beginning of each lecture. These quizzes will consist of easy-ish questions that test your understanding of the material covered in the last lecture. You will **not** be able to make-up any quizzes that you miss. These quizzes will serve as your ‘reality check’ in gauging how well you understand the course material. The lowest quiz grade will be disregarded when the total quiz grade is calculated.

2. **Assignments (20%)**: There will be several homeworks. The homeworks and their solutions will be uploaded on SuCourse.

3. **Final Exam (50%)**: The final exam will test your understanding of valuation concepts and your ability to solve financial problems. It will take place on **January 8th** between 13:00 and 16:00.

4. **Class Project (10%)**: There will be one project which will be conducted in groups of 3 or 4 students. You will be asked to pick a company, value it using the discounted cash flow method and write a report regarding your valuation procedure. More details about the report are going to be provided later.

Course Policies

- **Adherence to deadlines**: Please be sure to adhere to all established course deadlines and due dates. Make up exams or extensions will be granted only under rare and extenuating circumstances.

- **Attendance & Other Protocol**: Students are expected to attend all lectures and participate in class discussion. The general MFIN program attendance policy applies. Avoid being distracted by e-mails, phone calls, web surfing etc. during class. I strongly encourage you to consult with me on a regular basis to discuss how the class is going for you, get periodic updates on your individual standing in the class, review coursework, understand class expectations, and discuss other relevant issues as needed.

Academic Honesty:

Learning is enhanced through cooperation and as such you are encouraged to work in groups, ask for and give help freely in all appropriate settings. At the same time, as a matter of personal integrity, you should only represent your own work as yours. Everything you borrow from books, articles, or web sites should be properly cited. Although you are encouraged to discuss your ideas with others, it is important that you do not share your writing with anyone. Using ideas, text and other intellectual property developed by someone else while claiming it is your original work is plagiarism. Copying from others or providing answers or information, written or oral, to others is cheating. Unauthorized help from another person or having someone else write one’s paper or assignment is collusion. Cheating, plagiarism and collusion are serious offenses that could result in a failing grade and disciplinary action. Please pay utmost attention to avoid such accusations.
### Topics to be Covered

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