

ACCA

Think Ahead

 **Columbia Business School**
Executive Education



CORPORATE VALUATION

DELIVERED IN PARTNERSHIP WITH COLUMBIA BUSINESS SCHOOL

About this course

Corporate valuations may be sought for a variety of investment situations, such as obtaining an equity position in a firm, mergers and acquisitions (M&As), business restructurings, shareholder disputes, employee stock or share option plans, and leveraged buyouts.

With more than 62,000 M&A deals worth \$5.8 trillion completed in 2021, opportunities for growth are abound. Further, buyouts backed by private equity more than doubled in 2021, exceeding \$1 trillion for the first time ever. In this environment, having the ability to calculate more accurate corporate valuations becomes critical.

Investors generally rely on two main corporate valuation methods: the multiples method and the discounted cash flow (DCF) method. This online program examines the various methodologies that financial professionals use to value firms and the circumstances that support their use.

Over the course of six weeks, you will:

- learn how to compute a firm's value by applying the discounted cash flow (DCF) and multiples methods to inform your decision-making
- understand how to apply a framework that appropriately weighs financial and economic factors that influence a firm's valuation
- gain aptitude in comparing different valuation approaches used for M&A, leveraged buyouts, cross-border valuations, and private firms – assessing the potential for creating maximum value in each scenario.

Start date: 10 June 2024 (Orientation week, followed by Module 1 starting on 17 June 2024)

End date: 26 July 2024*

Estimated time commitment: 36 hours over six weeks

** Participants will have access to the programme materials for three months after the programme ends.*

Course leader

SHAWN PARK

Shawn Park is currently a PhD candidate in Finance at Columbia Business School and holds a BA in Economics, Mathematics, and Statistics from Columbia University. Prior to graduate school, Shawn was a military economic analytics specialist at the headquarters of the Korean Army and is a certified public accountant (CPA) in Korea.

Shawn's research interests are corporate governance and its intersection with political economy. His current research explores business groups, including the Korean chaebol, and the effects of politics on the financial markets and outcomes of corporations.

Shawn was previously a TA for Professor Daniel Wolfenzon in his valuation class and for Professor Bruce Kogut in his Fundamentals of Governance class.

Syllabus content

ORIENTATION MODULE

Live session:
Covers orientation

Covers orientation

MODULE 1: FRAMEWORK FOR VALUATION

Identify the key concepts in corporate valuation and distinguish between the DCF method and the multiples method of valuation (the 'comparables' method, or relative valuation). After reviewing the fundamentals, you will apply these concepts to calculate the equity of a firm using the multiples method.

MODULE 2: DCF ANALYSIS – CASH FLOWS, PART 1

Live session:
Covers Modules 1 and 2

As part of the fundamentals of DCF, we explore the question, "Why do we care about timing?" You will hone your skills by calculating the free cash flows of a firm—an important first step in the DCF method—and examine related examples.

MODULE 3: DCF ANALYSIS – CASH FLOWS, PART 2

Building on your understanding of DCF principles, we learn about methods to estimate future cash flows. You will forecast cash flows in both the near term and the long term using data from the real-world example of Amazon's acquisition of Whole Foods.

MODULE 4: DCF ANALYSIS – THE WEIGHTED AVERAGE OF COST OF CAPITAL

Live session:
Covers Modules 3 and 4

The final step in the DCF method, discounting cash flows, is addressed in this module. You will examine the role of risk in returns and calculate the weighted average cost of capital. You will have the opportunity to complete a full valuation in the form of a case study.

MODULE 5: VALUATIONS OF PRIVATE FIRMS AND CROSS-BORDER VALUATIONS

Equipped with the tools to complete a corporate valuation, you will examine specific circumstances under which valuations are completed and how various factors impact these circumstances. This module examines how liquidity and control impact the value of private firms and how to account for these factors in valuation. Also, you will learn how to address valuation when a firm is using a non-local currency by using two different methods.

MODULE 6: M&A, LEVERAGED BUYOUTS AND DISTRESSED VALUATION

Live session:
Covers Modules 5 and 6

Examine factors that impact valuation in mergers and acquisitions and leveraged buyouts. Participants will incorporate knowledge of these factors in calculating firm valuation under these specific circumstances. Participants will also evaluate and discuss the historical success of M&A and leveraged buyouts: do they typically create value? What might be influencing those results? Issues to be aware of in distressed valuation will also be discussed.

WEEKLY ASSIGNMENTS AND THE CORPORATE VALUATION WORKBOOK

At the end of each module, you will be presented with a workbook activity designed to help you review the key learnings from that module. Work through the various activities provided to practice applying the concepts covered in each module.

As you submit each weekly activity, be sure to save your work so you can reference it as a playbook for your professional role.

To earn your verified digital Certificate of Participation you must successfully complete and submit responses to all six activities in the Corporate Valuation Workbook.

The Course Leader will be available during live sessions to discuss Corporate Valuation Workbook activities.

CERTIFICATE OF COMPLETION AND DIGITAL BADGE

A certificate is provided upon completion of the programme; this is a CPD completion/participation certificate. It is co-branded by ACCA and Columbia Business School.

A digital badge is also awarded to those who successfully complete the programme. This badge can be used on social media e.g. on LinkedIn, as a symbol of your achievement.

FAQs

1 How much time should I commit to this programme?

The programme is approximately 36 hours of learning over six weeks. You should aim to complete a course module every week which will take approx. 4–6 hours to learn the core course materials. There are six modules in total. Each module includes a set of lecture videos, readings, self-reflection exercises, and worksheets which should take 2–3 hours to complete. The course leader will discuss the learning from each module across the live sessions.

2 How do I access programme materials?

All programme materials are available within the course site. The Orientation and Module 1 material will be available on 10 June 2024 while Modules 2–6 will be released on 24 June 2024. The modules are organised in sequential number order with content relevant to each module available in that module folder.

The course content is organised by module with a sequential series of short lecture videos (on average 5–8 minutes per video). To begin viewing lecture videos within the course, click the “Continue” button. If you would like to view the full list of course materials, you can click on the “<” button on the top left corner.

The live sessions will be held on Zoom, and you need to register for each session (please see below question for further information on the live sessions). The links to register are in each module folder within the course site.

3 How long do I have access to programme materials for?

The programme runs from 10 June 2024 to 26 July 2024. Following the end of the programme you will have access to the course materials for an additional three months to complete the programme.

4 How long will I be able to access course leader support?

Course leader support will end on 29 July 2024. After this time, you will still have access to the programme materials via the ACCA Learning platform until 21 October 2024, but you will not have course leader support.

5 Can I copy/download programme materials?

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6 Do I need any previous experience to complete this programme?

While there are no specific prerequisites in terms of content knowledge, this program is designed for those who have familiarity with financial accounting principles and Excel.

7 Do I need to complete all the assignments within each module?

Activities for each module are separated into two sets: Key Activities and Self-Study Activities. Key Activities are marked with an asterisk (*) and must be completed in order to receive the digital certificate.

While the Self-Study Activities are not required, we encourage you to complete as many as possible as they help to reinforce the concepts covered in each module and provide a chance to take a deeper dive into the material.

You will also need to pass, the Corporate Valuation Workbook assessments in each module to complete the programme.

8 How do I attend a live session?

The live sessions will be held on Zoom. Participants should pre-register for each session they plan to attend using the links within each module folder on the course site.

- Submit your questions to the course leaders before each session. The questions you have can be used to drive the session, making the sessions completely relevant to you.

9 Do I have to attend all live sessions?

No, you do not need to attend all the live sessions, but we recommend that you attend as many as possible. This is a great source of learning, directly from the course leader. It also allows you to interact with your peers.

If you are unable to attend a live session, the recording will be made available in the course site soon after the session has taken place.

10 How do I access the discussion boards?

There is a unique discussion board that corresponds to each of the nine modules. You can find the links to the discussion board within the ACCA Learning platform in the 'Collaboration' section of the course. The discussion board should open in a new window where you can make comments and interact with other participants.

11 How do I complete the programme and gain the certificate/digital badge?

To complete the programme, you need to:

- Watch all videos
- Complete and submit responses for all six activities in the Corporate Valuation Workbook.

Once we have verified that all of the required elements of the programme have been completed, the certificate will be available to download and the digital badge will be ready for you to use. Both can be retrieved from the ACCA Learning site.

THE DETAILS CONTAINED IN THIS DOCUMENT ARE SUBJECT TO CHANGE DUE TO THE NATURE OF THE LIVE ELEMENTS OF THIS PROGRAMME.

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