

Minnesota State University Moorhead

FINC 562: Financial Analysis and Valuation

A. COURSE DESCRIPTION

Credits: 3

Lecture Hours/Week: 3

Lab Hours/Week: 0

OJT Hours/Week: *.*

Prerequisites:

This course requires the following prerequisite

FINC 360 - Principles of Investment

Corequisites: None

MnTC Goals: None

This course provides in-depth knowledge of valuation models and their practical application. The primary focus is equity valuation techniques. This includes data gathering and analysis of financial statements, analyzing cash flow, estimating the cost of capital, and forecasting cash flows. Discounted cash flow and relative valuation models are utilized in case studies to practice equity valuation. Additional topics covered include an introduction to fixed income valuation, alternative investments, and the ethics and professional standards related to the practice of valuation.

B. COURSE EFFECTIVE DATES: 02/01/2017 - Present

C. OUTLINE OF MAJOR CONTENT AREAS

1. Financial data
2. Financial statement analysis
3. Free cash flow calculations
4. Pro forma financial statements
5. Discounted cash flow (DCF) valuation
6. Relative valuation
7. Cost of capital
8. Sector and industry considerations in valuation
9. Fixed income valuation
10. Valuation of alternative investments

D. LEARNING OUTCOMES (General)

1. Analyze financial statements by calculating appropriate ratios.
2. Calculate and forecast free cash flow.
3. Collect and organize financial data from appropriate sources.
4. Compute the value of a firm's equity using relative valuation techniques.
5. Create pro forma financial statements as a forecasting tool.
6. Estimate the cost of capital.
7. Evaluate the influence of sector, industry, and the macroeconomy on valuation.
8. Evaluate the value of alternative investments, including real estate, private equity, and distressed securities.
9. Transform financial statement data for use in valuation.
10. Prepare equity research reports.
11. Utilize appropriate models of fixed income valuation.

E. Minnesota Transfer Curriculum Goal Area(s) and Competencies

None

F. LEARNER OUTCOMES ASSESSMENT

As noted on course syllabus

G. SPECIAL INFORMATION

None noted