

ACCT 5365: Topics in Valuation Analysis Fall 2017

INSTRUCTORS: Kay Packard, CFA
EMAIL: packardk@seattleu.edu
OFFICE: Old Graduate Student Lounge
OFFICE HOURS: Tuesday, 4:30 to 5:45 pm
COURSE WEBSITE: Canvas
CLASS ROOM: Pigott 304
CLASS TIME: Tuesday, 6:00 to 8:40 pm

COURSE OBJECTIVES & DESCRIPTION:

This course introduces basic valuation approaches commonly used for various valuation purposes. Upon completion of this course, the students should: (1) apply appropriate valuation approaches to value the subject interest; (2) understand discounts and other adjustment that should be considered when valuing an ownership interest in closely-held companies; (3) understand unique factors to consider when performing a valuation for special purposes such as asset holding companies and ESOP valuations; and (4) be able to identify issues in valuation analyses and find supportable data to resolve such issues.

PREREQUISITES

FINC 5000 or FINC 5100

Instructor permission is needed in case you do not meet the pre-requisites requirement.

RECOMMENDED READINGS/BOOKS

Class lecture slides will be provided to the students electronically prior to each class.

The following book can be used as an excellent reference and recommended as reading materials to enhance your knowledge; however, the students are not required to purchase it.

- Pratt, Shannon P., Niculita, Alina V. (2008). Valuing a Business: The analysis and Appraisal of Closely Held Companies, 5th edition, New York: McGraw-Hill.

EXAMS

There will be two exams. The mid-term exam will be an open book in-class exam. The final exam will be a take-home exam and may consist of a case study and/or short essays. The final exam will cover all materials discussed throughout the quarter. No make-up exams will be given without prior permission from the instructor.

STUDENTS WITH DISABILITIES

Seattle University is committed to providing students with disabilities an equal opportunity to participate in all its classes and activities. This goal is fundamental to our belief in social justice. The university provides supplemental support services through the Disabilities Services office. Please contact the Disabilities Services office to receive accommodation.

ACADEMIC HONESTY

We expect that you will abide by the University's Academic Honesty Code. "Seattle University is committed to the principle that academic honesty and integrity are important values in the educational

process and that violations in this area should be dealt with in the appropriate manner.” For more specifics about the policy, check: <https://www.seattleu.edu/registrar/Policies.aspx>

If you are not sure about whether a particular action is acceptable according to the Academic Honesty Code, you should check with me *before* engaging in it. Verified instances of plagiarism, cheating and the usage of unauthorized sources in exams, papers and other academic projects will lead to a severe penalty.

GRADING

Grades will be based on your performance on the following items:

Criteria	Weight
Class Assignments	20%
Presentation	20%
Mid-Term Exam	20%
Final Exam	30%
Class Participation	10%

The final grade will be assigned according to the following scale:

A	95-100 %
A-	90-95
B+	87-89
B	84-86
B-	80-83
C+	77-79
C	74-76
C-	70-73
D	60-69
F	0-59

ATTENDANCE & CLASS PARTICIPATION

You are expected to attend the class on time and be prepared for each class session. In case of a planned absence, please notify me. If you miss two classes or more without advance notice, you will not receive any points towards the class participation.

Participation is strongly encouraged as it makes the class interesting and you get an opportunity to interact with me and your classmates. Class participation can also count within small group discussions. Each student will have two opportunities to give points to each other during the quarter, which will count towards the final grade.

LAPTOP POLICY

The use of laptops, tablets or smart phones in class to take class-notes, view class material or work on in-class projects is allowed. However, please do not use laptops, tablets, netbooks or smart phones in class for any other non-class related activity (including instant messaging, web-browsing, work-related matters, etc.) unless specifically permitted by the instructor.

COURSE SCHEDULE (This is a preliminary list of topics and may be subject to change)

Date	Topic
9/26/2017 Week 1	Introduction & Course Overview Definitions and Levels of Value Discounts for Lack of Control & Marketability
10/3/2017 Week 2	Discounts for Lack of Control & Marketability Valuation Approach – Asset Approach
10/10/2017 Week 3	Valuation Approach - Asset Approach Court Case Discussions (Presentation)
10/17/2017 Week 4	Income Approach
10/24/2017 Week 5	Income Approach - Forecasting (Discussions) Costs of Capital / Discount Rates
10/31/2017 Week 6	Mid-Term Exam (Open Book)
11/7/2017 Week 7	Costs of Capital / Discount Rates Court Case Discussions (Presentation) Market Approach
11/14/2017 Week 8	Market Approach Multiple Selections
11/21/2017 Week 9	Guest Speaker Reconciliation of Values
11/28/2017 Week 10	Audit Review / Case Discussions Final Exam Review
12/5/2017	Final Exam (Take Home Exam Due)
