



UNIVERSITÀ
CATTOLICA
del Sacro Cuore

International financial markets

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Course aims and intended learning outcomes

This is an advanced finance course with particular focus on valuation. The course aim is to provide students with the conceptual and theoretical framework of valuation issues, as well as the practical tools to address such topics in real-life situations. We will overview the role of firm's capital structure, the principles of estimating a firm's cost of capital and tools to forecast cash flows and focus on corporate valuation issues using DCF, stock market, deal multiples etc. Overall, the objective of the course is to analyze the main methodologies of corporate valuation and discuss the approaches commonly used by practitioners and the mistakes commonly made; understanding these techniques should enhance corporate student's ability to identify good projects and make sound corporate finance decisions.

Course content

1. Overview of Corporate Valuation
2. Project Analysis using Discounted Cash Flow (DCF)
3. Cost of Capital
4. Financial Statements and Valuation
5. Enterprise Valuation
6. Futures, Options, and the Valuation of Real Options
7. Cross-border Valuation
8. Special Types of Valuation:
 - a. Valuation in Private Equity setting
 - b. Valuing Financial Services Firms
 - c. Valuing Young or Start-up Firms
 - d. Valuing Firms with Negative or Abnormal Returns

Reading list

The textbook for the course is:

S. Titman-J.D. Martin, Valuation: The Art and Science of Corporate Investment Decisions, Pearson, 2016. Acquista da VP

The following textbook is also recommended:

Aswath Damodarn, Investment Valuation: Tools and Techniques for Determining the Value of Any Asset, Wiley Finance, 2012.

Slides, case studies, articles, and other material will be made available through the course website

Teaching method

Class lectures and discussion of relevant cases will be the primary method. There will also be a group project that will consist of a written assignment and presentation.



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Assessment method and criteria

Attending Students

The course grade will be assessed based on the following components:

Final exam: 50%

Team projects: 40%

Class participation: 10%

Non-attending Students

The course grade will be based on the outcome of the final exam (100 %).