COURSE DATA

DATA SUBJECT

Code: 44391
Name: Analysis and valuation of companies
Cycle: Master's Degree
ECTS Credits: 6
Academic year: 2025-26

STUDY (S)

Degree	Center	Acad. year	Period
2206 - Master's Degree in Accounting, Auditing and Management Control	Facultat d'Economia	1	Annual

SUBJECT-MATTER

Degree	Subject-matter	Character
2206 - Master's Degree in Accounting, Auditing and Management Control	Assessment of businesses and financial instruments	COMPULSORY

COORDINATION

MERELLO GIMENEZ PALOMA

SUMMARY

The course **Business Analysis and Valuation** provides a solid understanding of financial statement analysis and the different business valuation models, including their main limitations and restrictions. The course is based on a conception of the company as a decision-making unit in which it is necessary to direct, plan, organize, and control the various activities and people to achieve objectives. It addresses the study of the information needs required by each category of business decisions. It shows the scope of accounting legislation regarding the preparation and presentation of financial statements. It distinguishes between mandatory and voluntary information. The course uses the main tools for the analysis and interpretation of annual accounts, focusing on the analysis of profitability, business management, financial position and sustainability. It identifies the purposes of valuation, including strategic decisions regarding continuity, merger, acquisition, demerger, business liquidation, purchase and sale operations of companies, and the acquisition of companies by employees or managers, whether internal or external, etc.
The **faculties** in charge of teaching in this subject are:
Ms. Paloma Merello Giménez, Accounting Department.
Mr. David Huguet Benavent, Accounting Department.

PREVIOUS KNOWLEDGE

RELATIONSHIP TO OTHER SUBJECTS OF THE SAME DEGREE

There are no specified enrollment restrictions with other subjects of the curriculum.

OTHER REQUIREMENTS

No other requirements are described.

COMPETENCES / LEARNING OUTCOMES

2206 - Master's Degree in Accounting, Auditing and Management Control

Capacidad de adaptación a nuevas situaciones y de resolución de problemas.

Capacidad de asumir responsabilidades y esfuerzo.

Capacidad de búsqueda de información, análisis y síntesis.

Capacidad de comunicación.

Capacidad de organización y planificación del trabajo y los recursos.

Capacidad de trabajo en equipo y liderazgo.

Comprender las particularidades contables que presenta la regulación jurídico-mercantil de las empresas, relacionando la legislación mercantil aplicable a los distintos tipos operaciones societarias con la contabilidad de los hechos económicos que se regulan. Aprender a relacionar las leyes mercantiles que se ocupan de los concursos de acreedores con la contabilidad, adquiriendo práctica en el manejo de determinados textos legales vigentes.

Desarrollo de la actitud ética y de responsabilidad social en el trabajo, respetando los derechos fundamentales y de igualdad, la accesibilidad y el medio ambiente, de acuerdo con los valores propios de una cultura de paz y de valores democráticos.

Have critical and self-critical capacity.

Know how to apply acquired knowledge and problem-solving skills in new or unfamiliar environments within broader (or multidisciplinary) contexts related to their area of study.

Know how to communicate your conclusions (and the underlying knowledge and reasons) to both specialist and non-specialist audiences in a clear and unambiguous way.

Possess the learning skills that will allow them to continue studying in a way that will be largely self-directed or autonomous.

Ser capaces de configurar y manejar un sistema integrado para la gestión contable de la empresa. Utilizar la hoja de cálculo como herramienta de análisis de la información económica de la empresa. Saber aplicar programas de apoyo a tareas específicas de gestión.

Ser capaz de determinar cuándo se debe proceder a realizar una valoración de la empresa y sus repercusiones, determinando las finalidades o motivos por los que se realiza la valoración. Conocer los principales métodos de valoración y determinar en qué circunstancias se debe aplicar cada uno de ellos.

Saber organizar y diseñar el proceso de valoración. Aplicar los diferentes métodos de valoración y ser capaz de determinar un rango u horquilla de valoración. Conocer los distintos tipos de combinaciones de negocios. Ser capaz de identificar
la empresa adquirente, determinar de la fecha de adquisición, cuantificar del coste de la combinación de negocios, y el fondo de comercio o diferencia negativa. Conocer las peculiaridades del tratamiento contable y comprender las implicaciones económicas de operaciones societarias importantes de reestructuración empresarial como adquisiciones,fusiones y escisiones.

Ser capaz de identificar los riesgos a los que queda expuesto cualquier agente económico que opera con instrumentos financieros, ya sean de activo o de pasivo. Poder interpretar adecuadamente la información de los principales mercados en los que se negocian coberturas y, por lo tanto, ser capaz de utilizar los diferentes instrumentos de cobertura. Conocer la normativa contable y criterios de valoración de los distintos instrumentos financieros. Analizar la problemática a la que se enfrentan las empresas a la hora de aplicar la normativa respecto a la contabilización de operaciones relacionadas con activos y pasivos financieros.

To be able to integrate knowledge and face the complexity of formulating judgments from information that, being incomplete or limited, includes reflections on the social and ethical responsibilities linked to the application of their knowledge and judgments.

DESCRIPTION OF CONTENTS

1. Information users.
2. Financial statements required.
3. Financial Statements operational.

1. Solvency - Indebtedness.
2. Liquidity - Ability to pay.
3. Working capital requirements.

1. Economic Performance.
2. Financial Performance.
3. Financial leverage.

Part II: Analysis of financial statements.

Unit 1. The financial information on the company.

1. Information users.
2. Financial statements required.

Unit 2. Study of the composition and evolution of the items in the financial statements.

Unit 3. Analysis of Financial Balance.

1. Solvency - Indebtedness.
2. Liquidity - Ability to pay.

Unit 4. Profitability Analysis.

1. Economic Performance.
2. Financial Performance.

Unit 5. Case study.

1. Development Excel template.
2. Diagnosis of the financial-economic situation.
3. Presentation.

1. Book Value or net asset value (AN).
2. Adjusted book value (VCA).
3. Liquidation value (NAV)
4. Substantial value (VS).
5. Permanent capital required for operation (CPNE).

1. Classic Approach (classical valuation method, direct valuation method,

Part II: Business valuation

Unit 1. General concepts.

Unit 2. Balance Sheet-Based Valuation Methods (I): Asset-Based or Analytical Methods.

1. Book Value or net asset value (AN).
2. Adjusted book value (VCA).
3. Liquidation value (NAV)

Unit 3. Balance Sheet-Based Valuation Methods (II): Goodwill Methods.

1. Classic Approach (classical valuation method, direct valuation method, indirect valuation method).
2. Modern approach: (UEC method, Residual income method).

Unit 4. Income Statement-Based Valuation Methods: Market Multiples and Comparable Companies.

1. Revenue multiples.
2. Earnings multiples: different price/earnings ratios (PER multiples).
3. Dividend multiples.
4. Cash flow multiples: price/EBITDA and price/operating cash flow.

Unit 5. Discounted Cash Flow (DCF) Valuation Methods.

1. Financial forecasting and estimation of free cash flow.
2. Tax savings from leverage and the effect of interest rates and inflation.
3. Estimation of terminal value.
4. Estimating betas and risk premiums of investment projects: the cost of capital or required discount rate.

WORKLOAD

PRESENCIAL ACTIVITIES

Activity	Hours
Theory	40,00
Computer classroom practice	20,00
Total hours	**60,00**

NON PRESENCIAL ACTIVITIES

Activity	Hours
Attendance at other activities	0,00

Individual or group project	30,00
Independent study and work	15,00
Preparation of lessons	15,00
Preparation for assessment activities	20,00
Resolution of case studies	10,00
Total hours	**90,00**

TEACHING METHODOLOGY

MD1 - Group learning with the teacher. We use the model masterclass in lectures, offering the possibility to influence the most important of each theme, master exposure time, and present a specific way of working and dealing with different concepts. The participatory model will also be used in some theoretical issues and especially in practical classes, which is to prioritize communication between students and the teacher. The practical sessions will take the case method as a model because it encourages student participation both individually and as a group.

MD2 - Individual study. The student is directed in learning-oriented activities, so that student activity focuses on research, location analysis, handling, processing and return of information. The preparation work for the study of the subject will focus on it.

MD3 - Tutoring. Both individually and in groups to solve problems and direct jobs. You can use the platform "Aula Virtual" of the University of Valencia to maintain contact with the teacher.

MD4 - Group work with peers. The performance of work aims also to motivate the student in the research activity, apprehension and analysis of information, foster personal relationships, share problems, initiatives and solutions to work together. You will need to submit the proposed class work.

EVALUATION

The final grade is calculated as the weighted average of the notes of the two parts of the subject, depending on the number of credits each. a minimum score of 4 points in each of them and of 5 points in global average to pass the subject is required.

First call:

Financial statement analysis (weighting 66.67%):

Development of a model spreadsheet analysis and diagnosis of the economic-financial situation on the case study (SE2): Weighting 20%

Exhibition report (SE1): Weighting 10%

Theoretical and practical exam (SE3): 70% Weighting

A minimum grade of 5 points out of 10 will be necessary in the exam, to make an average with the continuous evaluation. Otherwise, the exam grade will be the maximum grade that the student will be able to obtain in this block.

The first two sections are held in groups and are considered continuous assessment as to works that respond fully or majority, shall be made during class. Consequently, if not pass the assessment in this first call, the mark obtained in these two sections will remain unchanged for the second call.

Business valuation (weighting 33.33%):

Exam (SE3): Weighting 100%

Second call:

Financial statement analysis (weighting 66.67%):

Grade obtained by the student in the continuous assessment (SE1 + SE2): Weighting 40%

Theoretical and practical exam (SE3): 60% Weighting

Business valuation (weighting 33.33%):

Exam (SE3): Weighting 100%

If the student gets a grade equal to or greater than 5 points in one of the parts in the first call, the grade

in that block will be kept for the second call and, therefore, only the pending part must be assessed. Continuous evaluation activities are not recoverable in this subject.

REFERENCES

- AECA (1983): ¿Métodos prácticos de valoración de empresas¿. Documento 3. Principios de Valoración de Empresas. Madrid.
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- Fernández, P. (2004): Valoración de empresas: cómo medir y gestionar la creación de valor. Ediciones Gestión 2000.
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- Garrido, P. e Íñiguez, R. (2017): Análisis de estados contables. Elaboración e interpretación de la información financiera. Ed. Ediciones Pirámide.
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- Laboratorio de Análisis y Creación de valor de empresas. http: //www.lacve.com/ Martín, J.L. y Trujillo, A. (2000): Manual de valoración de empresas. Editorial Ariel Economía.
- Plan General de Contabilidad.
- Plan General de Contabilidad de Pequeñas y Medianas Empresas.
- Materiales didácticos elaborados por los profesores de la asignatura.
- Archel, P.; Lizarraga, F. y Sánchez, S. (2018): Estados Contables. Elaboración, análisis e interpretación. Ed. Ediciones Pirámide.
- Palepu, K. G., Healy, P. M., & Peek, E. (2022). Business Analysis and Valuation: IFRS Edition (6th ed.). Cengage.