Universidad de Navarra

Business valuation B

Teaching guide 2026-27

INTRODUCTION: What can you expect from this subject?

a) Professor's statement

undefined

b) Video summarizing the Teaching guide (English)

Business Valuation English video

c) Video summarizing the Teaching guide (Spanish)

Business Valuation (Teaching Guide summary)

DETAILED TEACHING GUIDE

Business valuation is an interactive course that aims at making the student capable of understanding the main financial and management concepts and tools needed to properly valuate companies. It combines a well structured theoretical framework with practical exercises and real life business cases and examples. Although it is mainly a *'valuation'* course, it also focuses on the *'management'* implications of the valuation maximization approach, and includes the relevant influence of the macroeconomic environment and the monetary policy on financial and corporate valuations. Due to the nature of the subject, a moderate knowledge of corporate accounting, finance, and spreadsheet using (Excel or similar) is required.

Type: Mandatory (Finance & Accounting and International Economics & Finance) - Elective (for other students)

Module and subject: 7.2 Specific elective *("Optativa específica")*

Faculty: School of Economics and Business

Number of credits: 6 ECTS (150 h)

Language: English

Professor: Miguel García de Eulate (mgarciadeeu@external.unav.es) LinkedIn profile

Course: 3rd year

Universidad de Navarra

Semester: First semester (September to December)

Classes:

(Please check the University's website for any updates on class schedules: https://www.unav.edu/web/facultad-de-ciencias-economicas-y-empresariales/estudiantes/horarios)

Mondays from 17.30 to 19:30, Place: Aula 006 (School of Economics and Business - "Amigos" Building)

Tuesdays from 17:30 to 19:30, Place: Aula 101 (School of Economics and Business - "Amigos" Building)

Exam: December

(Extraordinary exam in June)

LEARNING OUTCOMES (Competences)

CEOP19: Gain an in-depth understanding of the techniques used to draft financial statements and interpret them

CEOP20: Understand important aspects of the regulation as it applies accounting and finance and understand its implications

CEOP21: Master advanced concepts in auditing

CEOP22: Know about and manage advanced tools and techniques to value financial assets

CEOP23: Gain an in-depth knowledge of the workings of financial markets

PROGRAM

Table of contents

(NOTE: The number and denomination of chapters might experience slight changes from one edition to other of the book)

Part One: Foundations of Value - **Chapters 1 to 8** (3, 4, and 5, not mandatory)

- 1 - Analyzing Key Value Drivers
- 2-5: Key value drivers
- 6 - Return on Invested Capital
- 7 - Revenue Growth
- 8 - Frameworks for Valuation (only Enterprise DCF is mandatory)
  - Enterprise DCF and Economic Profit Models
  - Adjusted Present Value

Part Two - Core Valuation Techniques

Analyzing Historical Performance - **Chapters 9, 10,** 18 and 20 (18 and 20, not mandatory)

- 9 - Reorganizing the Financial Statements
- 10 - Analyzing Performance and Competitive Position

Building the Valuation Model - **Chapters 11 to 15**

- Forecasting Performance
  - 11 - The Explicit Forecast Period
  - 12 - Continuing Value
- Estimating the Cost of Capital
  - 13 - The Weighted Average Cost of Capital

    - The Cost of Equity
    - The Cost of Debt
- Putting the Model to Work
    - 14 - From Enterprise to Equity Value
    - 15 - Calculating and Interpreting Results

Alternative Methods of Valuation - **Chapter 16**

- Multiples
- Valuing Flexibility using Real Options

Part Three - Advanced Valuation Techniques (not mandatory) - Chapters 20 to 27

Part Four - Managing for Value - **Chapters 28 to 34**

- 28 - Corporate Portfolio Strategy
- 29/30 - Strategic Management: Analytics/Mindsets and Behaviors
- 31 - Mergers and Acquisitions
- 32 - Divestitures
- 33 - Capital Structure, Dividends, and Share repurchases
- 34 - Investor Communications

Part Five - Special Situations (not mandatory) - Chapters 35 to 39

More details on the course program can be found in the "Lesson by lesson" document:

LBL_Business-Valuation_26-27.docx - Documentos de Google

EDUCATIONAL ACTIVITIES

Classes (52 h)

- The professor will explain the theoretical framework with illustrative example and cases of companies' valuation.

- Exercises and practical cases on valuation will be carried out, included the discussion and solution of previous contents.

- Class attendance is highly recommended and encouraged.

Assignments: questionnaires, cases and exercises (45 h)

- Periodically, the professor will deliver a test with some questions or practical cases to be answered by each student before the following class.

- Additionally, some specific work or cases might be asked to be answered by a particular student or team of students.

These assignments will carry a 30% weight in the final valuation

Individual study (45 h)

- Students should devote around 3h-4h per week to study the theoretical framework and practice /review the course's exercises.

Exam (2 h)

The final (ordinary) exam will be scheduled during the month of December. See official information here: https://en.unav.edu/web/school-of-economics-and-business/students/examenes

This exam will carry a 70% weight in the final evaluation.

Extraordinary exam (2 h)

During the month of June, the extraordinary exam will take place.

STUDENT EVALUATION

The course will include both theoretical sessions and practical exercises (either individual or by groups) that will be performed in class.

Additionally, some questions corresponding the the previous class and/or exercises/presentations /cases will need to be prepared during each week in order to better acquire knowledges and skills and maintain a coherence and constant relationship between theory and practice. These weekly exercises will be previously sent to the professor via ADI or email.

Moreover, students will also perform presentations in class. Thereby, class attendance is encouraged.

Use of IT tools:

- Due to the practical nature of the course, students will bring their laptops to class, although they will only be used when explicitly asked by the professor.
- Artificial Intelligence's (AI) tools may be used and even encouraged at certain stages of the course, but always as a complement and not a substitute of the learning process. Thus, the goal of AI in the subject is for students themselves to be able to interact with it critically and effectively. It prepares students for the challenges and opportunities of a world with integrated AI but it will not be used as a tool preventing them from understanding the concepts and process of Business valuation and its interaction with other disciplines such as Management and Financial theory.

The global assessment of each student will be carried out as follows:

- Individual or group work assignments, including presentations: 30%

- Final written exam: 70%. For the written exam (carried out on paper) only a calculator (without any kind of connection and without any content-storing feature) will be allowed.

In case the global assessment yields a failing grade (below 5/10), or if it reaches 5/10 but the result of the ordinary final exam is below 4/10, the student will need to pass the extraordinary exam in June, which will constitute 100% of the final grade.

If due to justified reasons (such as health related matters), a student cannot attend the final exam:

1) The student must notify this circumstance and its justification (with the Faculty's express authorisation) to the professor in written form before the date and hour of the exam. Otherwise, the student will be considered as absent in the exam.

2) The student will perform the written exam in the date and hour set up by the professor, but the evaluation of the exam could be mixed, for example, 50% the written exam itself and 50% an special individual oral exam that will take place in the date and hour set up by the professor.

In the case of extraordinary circumstances (such as Faculty's restriction to physical exams), the evaluation process could be altered. Please consult all sections of this subject in ADI in order to gather all relevant information.

As an integral part of the education of our students, it is important that we all respect the value of academic integrity, which of course will be taken into account for valuation purposes. You can obtain more information regarding academic discipline in the following link: university regulations regarding academic discipline

Moreover, a summary of the University policy regarding plagiarism and copying can be found below:

HONESTY IS THE BEST POLICY (Ethics Committee Provisions Against Plagiarism and Copying)

We value honesty. Without it, there can be no trust or any meaningful social relations. Therefore, the School expects honesty and fairness from all of its members: professors, non-academic staff, and students.

Dishonest behaviours will be sanctioned in accordance with the University Norms on Student Academic Discipline, and include lying, cheating in exams, and plagiarism in written work. We take such violations seriously. Depending on their gravity, these offences will be dealt with by the Professor in charge of the subject, by the Dean of Students, and in very severe cases, by the Vice President for Student Affairs.

Sanctions include:

- formal warnings

- prohibition from entering University premises for a given period

- loss of admission rights to exams

- loss of scholarships

- a failing grade for the piece of work or the whole course

OFFICE HOURS AND PROFESSOR CONTACT

The professor can be reached directly through the ADI platform or his email (mgarciadeeu@external.unav.es).

The blog can also be used to send comments and questions that will be answered by the professor but can be also viewed and commented by other students.

Office: 2300 at "Amigos" building, ("Hilera", second floor). Fridays, from 15:30 to 17:30 (upon previous confirmation, as day or time changes might take place . The possibility of remote meetings via Internet is also open).

Universidad de Navarra

BIBLIOGRAPHY AND RESOURCES

Main course book:

"VALUATION - Measuring and Managing the Value of Companies" (7th University edition. McKinsey & Company, 2020) Authors: Tim Koller, Marc Goedhart, David Wessels Find it on line in UNAV library

"VALUATION - Workbook" (Exercises and Tests) Find it on-line: Wiley - McKinsey & Co

Other reference books:

"Investment valuation: *tools and techniques for determining the value of any asset"* / Aswath Damodaran. Find it in UNAV Library (physically).