

# CCV

CERTIFICATE IN  
CORPORATE VALUATION

## Syllabus

### 1. Introduction

- Context of Valuation
- Approaches to Valuation
- Features of the Valuation process
- Corporate Valuation in practice
- Information needed for Valuation
- Refinements in Valuation
- Judicial Review and Regulatory Oversight on Valuation
- Intrinsic Value and the Stock Market
- Importance of Knowing Intrinsic Value

### 2. Enterprise DCF Model

- Analysing Historical Performance
- Estimating the Cost of Capital
- Forecasting Performance
- Estimating the Continuing Value
- Calculating and Interpreting Results

### 3. The Cost of Capital

- Concept of cost of capital
- Cost of equity- CAPM approach
- Alternatives to the CAPM
- Estimating the equity beta of an unlisted company
- Cost of debt and reference
- Targets weights to determine the cost of capital
- Weighted average Cost of Capital
- Misconceptions surrounding Cost of Capital

### 4. Other DCF Models

- Equity DCF Model- Dividend Discount Model
- Equity DCF Model- Free Cash Flow to Equity (FCFE) Model
- Adjusted Present Value Model
- Economic Profit model
- Accounting for Value
- Maintainable Profits Method
- Applicability and Limitations of DCF Analysis

### 5. Relative Valuation

- Steps involved in Relative Valuation
- Equity Valuation Multiples
- Enterprise Valuation Multiples
- Choice of Multiples
- Best practices using Multiples
- Assessment of Relative Valuation
- Market Transaction Method

#### **6. Other Non- DCF Approaches**

- Book value approach
- Stock and Debt approach
- Strategic Approach to valuation
- Guidelines for corporate valuation

#### **7. Valuation of Real Options**

- Uncertainty, Flexibility, and Value
- Types of real options
- How options work
- Factors determining option values
- Binomial Model for option valuation
- Black end scholes Model
- Applications of the Binomial Model
- Applications of the Black end scholes Model
- Mistakes made in Real Option Valuation
- Evaluation

#### **8. Advanced Issues in Evaluation**

- Valuation of companies of different kinds
- Valuation in different contexts
- Loose ends of Valuation

#### **9. Valuation of Intangible Assets**

- Definition and Classification of intangible assets
- Purpose and bases of Valuation
- Selection of the Method/s of Valuation
- Identification of Key information requirements
- Risk Analysis
- Verification of Valuation data
- Valuation of Goodwill
- Valuation Reporting

#### **10. Case Studies in Valuation**

- Bharat Hotels Company
- Bharat Heavy Electricals Limited. (BHEL)
- Valuation in the merger of TOMCO and HLL
- Bhoruka Power Co-operation Ltd.
- Evaluation in the merger of ICICI with ICICI Bank
- Sasken Communication Technologies.
- Cadmin Pharma
- Valuation of Infosys Brand
- Valuation of Ebay
- Case Study on an Investment buyer private equity firm.
- Facebook's acquisition of whatsapp
- Challenges in Valuing technology companies

#### **11. Writing the Valuation Report**

- Reporting Standards
- Written Business Valuation Reporting Standards

#### **12. Value Enhancement**

- Discounted Cash flow (DCF) Approach to Value Creation
- Economic Value added (EVA) Approach to Value Creation
- The Challenge of Value Enhancement