

**Jindal School of Management  
The University of Texas at Dallas  
Course Syllabus**

**Course Information**

Course Number & Section: **FIN 6352.001 / ENTP 6355.001**  
Course Title: **Financial Modeling for Valuation**  
Term: Spring 2022  
Days & Times: Wednesdays, 4:00 - 6:45pm (Central Time)

**Course Modality**

Instructional Mode: In-Person (first three sessions online, see next page)  
Location: JSOM 11.210  
Online Course Platform: Blackboard Collaborate  
Asynchronous Learning: No  
Class Recordings: No

**Contact Information**

Instructor: Christian von Drathen, Ph.D.  
Assistant Professor of Finance  
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Office Hours: By appointment  
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**Course Pre-Requisites, Co-Requisites and/or Other Restrictions**

Pre-requisites for this course are completion of FIN 6301 and familiarity with Microsoft Excel and financial accounting. No auditing.

**Course Description**

This class is for MS Finance and MBA students who seek a solid foundation in applied financial modeling and the valuation of public and private companies. It's a core course for the MS Finance degree and a required elective for the Corporate Finance/Investment Banking specialization. Teaching consists of lectures based on the course textbook and case study discussions. Students prepare written homework, case study analyses, and exercises. The focus will be on working with Excel models to forecast financial statements and valuing firms using DCF and comparables analyses. The course concludes with an individual project analysing and valuing a public firm. The workload is heavy and requires substantial study time.

**Student Learning Objectives/Outcomes**

By the time you complete this course, you should understand and be able to perform:

1. Analysis and modeling of financial statements
2. Enterprise valuation using Discounted Cash Flow (DCF) methods
3. Valuations based on comparable trading and transaction multiples
4. Advanced modelling topics including Venture Capital valuation and Real Options analysis

**Academic Calendar**

<b><u>Week</u></b>	<b><u>Date</u></b>	<b><u>Topic</u></b>	<b><u>Mode</u></b>	<b><u>Readings</u></b>	<b><u>Assignments</u></b>
1	1/19	Introduction	Online	Chapters 1, 2 & 3	HW1
2	1/26	Financial Statements 1	Online	Chapter 6	ASM1, EX1 DCF
3	2/2	Financial Statements 2	Online	Chapter 6	HW2, ASM2
4	2/9	Cost of Capital 1	In-Person	Chapter 4, Damodaran ERP Article	EX2 IFS, HW3, ASM3
5	2/16	Cost of Capital 2	In-Person	Case: Royal Mail	CS1 Royal Mail
6	2/23	Enterprise Valuation 1	In-Person	Chapter 9	EX3 WACC, HW4
7	3/2	Enterprise Valuation 2	In-Person	Case: Mercury	CS2 Mercury
8	3/9	Enterprise Valuation 3	In-Person	Case: AirThread	CS3 AirThread
9	3/23	Relative Valuation 1	In-Person	Chapter 8, Damodaran Multiples	HW5, EX4 Comps
10	3/30	Relative Valuation 2	In-Person	Case: Ferrari	CS4 Ferrari
11	4/6	Value Enhancements	In-Person	Case: Cracker Barrel	CS5 Cracker Barrel, IP1
12	4/13	VC & PE Valuation	In-Person	Chapter 10, HBP Note VC Valuation, Case: OutReach Networks	HW6, CS6 OutReach
13	4/20	Real Options 1	In-Person	Chapter 12	HW7, IP2
14	4/27	Real Options 2	In-Person	Chapter 12, HBR Article	EX5 Real Options
15	5/4	Individual Project	No class		IP3

***Important Notice: The descriptions and timelines contained in this syllabus are subject to change at the discretion of the Instructor***

## Required Textbooks and Materials

Students must purchase the course textbook **before the first class** and the Harvard Business Publishing (HBP) course pack **by week 4**. All students are expected to read the designated chapters, cases, and other materials and to prepare the required assignments **before each class**. The instructor will post online slides covering the textbook chapters after each class. Assignments will also be posted online throughout the course, so check your eLearning and HBP course packs regularly. Solutions to your assignments will generally be discussed in class but **not posted** on eLearning, so make sure to take detailed notes in class. The required course textbook and cases are:

**Textbook:** [Titman, Sheridan, and John D. Martin; "Valuation: The Art and Science of Corporate Investment Decisions", 2015, 3rd edition, Pearson.](#)

**Cases:** [HBP Course Pack \(https://hbsp.harvard.edu/import/TBA\)](https://hbsp.harvard.edu/import/TBA)

1. UV7254-PDF-ENG Royal Mail plc: Cost of Capital
2. 4050-PDF-ENG Mercury Athletic Footwear: Valuing the Opportunity
3. 4263-PDF-ENG Valuation of AirThread Connections
4. UV7259-PDF-ENG Ferrari: The 2015 Initial Public Offering
5. 9-114-026-PDF-ENG Showdown at Cracker Barrel
6. UV6569-PDF-ENG OutReach Networks: First Venture Round
7. 9-801-446-PDF-ENG Note on Pre-Money and Post-Money Valuation (A&B)
8. 98404-PDF-ENG Inv. Opportunities as Real Options: Getting Started on the Numbers
9. 9-208-045-PDF-ENG Real Options Exercises

## Grading Policy

The overall course grade is calculated based on the grades for class participation & homework assignments, case study analyses, and an individual project. The weights for the overall grade are:

- |   |     |
|---|-----|
| 1. Class participation & homework assignments | 30% |
| 2. Case study analyses & exercises            | 30% |
| 3. Individual project                         | 40% |

## Course & Instructor Policies

### *Classroom Citizenship*

Participation calls for due respect of all your classmates and the instructor. Student behaviour that distracts or otherwise adversely affects teaching and learning will not be tolerated. While in class, please turn-off your cell phones, and all other non-essential electronic devices, unless instructed otherwise. Also, make sure to bring your nameplates to all sessions.

### *Class Participation*

Regular class participation is expected regardless of course modality. Students who fail to participate in class regularly are inviting scholastic difficulty. A portion of the grade for this course is directly tied to your participation in this class. It also includes engaging in group or other activities during class that solicit your feedback on homework assignments, readings, or materials covered in the lectures (and/or labs). Class participation is documented by faculty. Successful participation is defined as consistently adhering to University requirements, as presented in this syllabus. Failure to comply with these University requirements is a violation of the [Student Code of Conduct](#).

### *Class Materials*

The Instructor may provide class materials that will be made available to all students registered for this class as they are intended to supplement the classroom experience. These materials may be downloaded during the course, however, these materials are for registered students' use only. Classroom materials may not be reproduced or shared with those not in class, or uploaded to other online environments except to

implement an approved Office of Student AccessAbility accommodation. Failure to comply with these University requirements is a violation of the [Student Code of Conduct](#).

#### *Make-Up Exams*

There will be no make-up exams.

#### *Extra Credit*

There will be no possibility to earn extra credit.

### **UT Dallas Syllabus Policies and Procedures**

The information contained in the following link constitutes the University's policies and procedures segment of the course syllabus.

Please go to <http://go.utdallas.edu/syllabus-policies> for these policies.

### **Campus Carry**

Senate Bill 11 (SB 11), also known as “campus carry,” permits handgun license holders to carry their weapons onto the campus and into the general buildings of public universities and colleges in Texas. Passed by the 84th Texas Legislature and signed into law by Gov. Greg Abbott, SB 11 took effect Aug. 1, 2016. As part of the law, the University was allowed to establish reasonable rules, regulations or other provisions regarding the carrying of concealed handguns, including campus locations where concealed carry is prohibited, subject to amendment by the UT System Board of Regents. The purpose of the UT Dallas policy is to comply with the law while maintaining the maximum safety and security of UT Dallas students, staff, faculty and guests.

Facts:

- A person must have a license to carry a concealed handgun on campus. Requirements include being at least 21 years of age and a legal resident of Texas for the six-month period preceding the date of application.
- Concealed carry is prohibited in these buildings: Callier Center-Richardson (CR); Natural Science and Engineering Research Laboratory (RL); Bioengineering and Sciences Building (BSB); University Commons Residence Halls (RHNW, RHN, RHS, RHSW, RHW); Dining Hall West (DHW); Recreation Center West (RCW); Callier Center-Dallas; the Center for BrainHealth; and the Center for Vital Longevity. (See map below).
- Solely occupied offices can be designated as exclusion zones, prohibiting the concealed carry of a handgun in that space. If occupants choose to exercise this discretion, they must provide oral notice that concealed carry is prohibited in the office. The use of signage does not satisfy notification requirements.
- License holders cannot carry concealed handguns at University sporting events, patient care facilities, including the Galerstein Women's Center, the Student Health Center and the Student Counseling Center, disciplinary hearing or mediation facilities, and areas where schoolchildren are present.
- Open carry is not allowed. If the license holder carries a visible handgun, or if the handgun is intentionally displayed in plain view of another person, it is considered a criminal offense.
- The University will not provide storage of a license holder's handgun.

Students are hereby given written notice that the instructor has designated his office at **JSOM 14.310 exclusion zone, prohibiting concealed carry of a handgun**. A verbal notice to this effect will also be issued to students in the first class.

Further information about the University's concealed handgun policy is posted on the campus carry website: <https://www.utdallas.edu/campuscarry/>.