



**DIPLOMA COURSE
IN
BUSINESS VALUATION**

Course Contents:

Each paper will carry 100 marks.

Paper 1: The Principles of Business Valuation

1. Valuation Fundamentals & Contexts

Concept of Valuation –Standard of value, Purpose and Role of Valuation, Valuation contexts, Distinction between Price and Value; Independence and objectivity; Overview of different valuation models, financial statements and value drivers.

2. Reorganizing and Analysis of Financial Statements Accounting policy

Accounting policy, Reorganizing and Analyzing Key Financial and Non-Financial Ratios to support forecasting future cash flows.

3. Forecasting Cash Flows

Industry Analysis e.g. (Porter's Five Force Model), Audit of internal and external environment e.g. (PEST Analysis); Company analysis (eg. Analysis of the sources of past growth in ROIC and revenue and sustainability of the same in the context of capabilities of the company Analyzing the core competence of the business and its ability to take future opportunities and resilience to address challenges)

Establishing the relationship between each line item in the Profit and Loss account with revenue and other drivers of costs and expenses.

4. Income Approach in valuation

(i) DCF Methods of Valuation

Enterprise Value Approach, Capital cash Flow Approach, Equity Cash Flow Approach; Adjusted present value, Valuation based on residual income or economic value added;

forecasting cash flows, determining the cost of capital and discount rate; determining the terminal value and determining the value of equity from the enterprise value.

- (ii) Accounting Based Valuation
- (iii) Business valuation in international setting.
- (iv) Techniques to manage Risk in Business Valuation
- (v) Market Approach
Direct comparison with comparators and multiples
- (vi) Other approaches
Asset approach and real option/contingent claim approach
- (vii) **Criteria for selecting the appropriate Valuation Method**
Suitability of different valuation methods in different contexts,
Choice of valuation method based on the growth stage of the firm, nature of the industry and availability of information

Paper II: Application of Valuation Principles

1. Valuation in Mergers and Acquisitions
Strategies: Intensive Growth, Diversification Growth, Spin-offs, split-offs
Motives and Synergies: Monopoly theory, Valuation theory
2. Fair Value in Financial Reporting
3. Valuation of closely held companies (SMEs)
4. Valuation of stressed companies
5. Valuation of IPOs
6. Valuation of financial institutions- banks and insurance companies
 - Valuation of Intangibles
 - IPR
 - Brand Valuation
 - Goodwill
7. **Other Valuations**
Asset Valuation
Valuation of Derivatives
Bond Valuation and Valuation of securitized
Instruments including mortgage based securities

Paper III: Business Valuation Standards and Preparation of Business Valuation Reports

1. Ethics in Valuation
2. International standards on Valuation
3. Data collection for Business Valuation
4. Writing a Business Valuation Report
5. Engagement procedure for valuation assignment, term of reference and deliverable

Project

Every student will be required to complete a project on Business Valuation before or after passing the written examinations. The candidate will register his/her project with the Institute and shall commence working on the same after receiving approval from the Director (Advanced Studies). He/she will submit the project report within six months from the date of the issuance of the approval by the Director (Advanced Studies).

Note: *No CEP Credit Hours will be awarded to Members pursuing or completing this course.*

For details of fee and mode of payment, last date please refer to the registration procedure.

Schedule of Webinars for Diploma programme in Business Valuation

S.No	Topic	No. of Hrs
Paper : I The Principles of Business Valuation		
1.	Valuation Fundamentals & Contexts: Concept of Valuation –Standard of value, Purpose and Role of Valuation, Valuation contexts, Distinction between Price and Value; Independence and objectivity; Overview of different valuation models, financial statements and value drivers.	8 hrs
2.	Reorganizing and Analysis of Financial Statements Accounting policy: Accounting policy, Reorganizing and Analyzing Key Financial and Non-Financial Ratios to support forecasting future cash flows.	4 hrs
3.	Forecasting Cash Flows: Industry Analysis e.g. (Porter’s Five Force Model), Audit of internal and external environmente.g. (PEST Analysis); Company analysis eg. (Analysis of the sources of past growth in ROIC and revenue and sustainability of the same in the context of capabilities of the companyAnalyzing the core competence of the business and its ability to take future opportunities and resilience to address challenges) Establishing the relationship between each line item in the Profit and Loss account with revenue and other drivers of costs and expenses.	16 hrs
4	Income Approach in Valuation: (I) DCF Methods of Valuation Enterprise Value Approach, Capital cash Flow Approach, Equity Cash Flow Approach; Adjusted present value, Valuation based on residual income or economic value added; forecasting cash flows, determining the cost of capital and discount rate; determining the terminal value and determining the value of equity from the enterprise value (II) Accounting Based Valuation	16 hrs 6 hrs

5	(III) Business valuation in international setting.	4 hrs
6	(IV) Techniques to manage Risk in Business Valuation	6 hrs
7	(V) Market Approach Direct Comparison with comparators and multiples	4 hrs
8	(VI) Other approaches Asset approach, real option/contingent claim approach.	4 hrs
9	(VII) Criteria for selecting the appropriate Valuation Method Suitability of different valuation methods in different contexts, Choice of valuation method based on the growth stage of the firm, nature of the industry and availability of information	8 hrs
Total		76 hrs
Paper-II : Application of Valuation Principles		
10.	Valuation in Mergers and Acquisitions Strategies: Intensive Growth, Diversification Growth, Spin-offs, split-offs Motives and Synergies: Monopoly theory, Valuation theory Fair Value in Financial Reporting Valuation of closely held companies (SMEs) Valuation of stressed companies Valuation of IPOs Valuation of financial institutions- banks and insurance companies [4 Hours] <ul style="list-style-type: none"> ◦ Valuation of Intangibles ◦ IPR ◦ Brand Valuation ◦ Goodwill 	38 hrs

11.	Other Valuations Asset Valuation Valuation of Derivatives Bond Valuation and Valuation of securitized Instruments including mortgage based securities	30 hrs
Total		68 hrs
Paper III: Business Valuation Standards and Preparation of Business Valuation Reports		
12.	1. Ethics in Valuation 2. Local and International standards on Valuation 3. Data collection for Business Valuation 4. Writing a Business Valuation Report 5. Engagement procedure for valuation assignment, term of reference and deliverable	24 hrs
Total		24 hrs
Grand Total		168 hrs

There will be 72 hrs of contact sessions, 6 hrs per month at the places where at least 10 candidates enroll in to the programme.