

E-mail: advstudies@icmai.in

Ph: +91 33 4036 4779 / 4789

www.icmai.in



learn something new...

Exciting Courses Challenging Careers 2020

EXECUTIVE DIPLOMA IN BUSINESS VALUATION



**DIRECTORATE OF ADVANCED STUDIES
THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA**

Statutory Body under an Act of Parliament

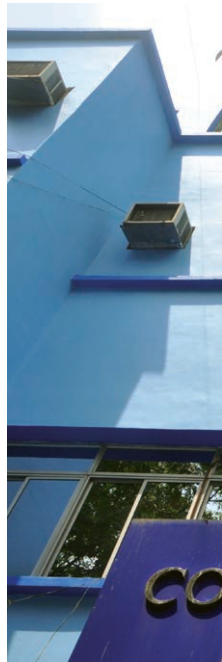
Behind every successful business decision, there is always a **CMA**

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

The Institute of Cost Accountants of India is a statutory body set up under an Act of Parliament in the year 1959. The Institute as a part of its obligation, regulates the profession of Cost and Management Accountancy, enrolls students for its courses, provides coaching facilities to the students, organises professional development programmes for the members and undertakes research programmes in the field of Cost and Management Accountancy. The Institute pursues the vision of cost competitiveness, cost management, efficient use of resources and structured approach to cost accounting as the key drivers of the profession. In today's world, the profession of conventional accounting and auditing has taken a back seat and cost and management accountants are increasingly contributing toward the management of scarce resources and apply strategic decisions. This has opened up further scope and tremendous opportunities for cost accountants in India and abroad.

After an amendment passed by Parliament of India, the Institute is now renamed as "The Institute of Cost Accountants of India" from "The Institute of Cost and Works Accountants of India". This step is aimed towards synergising with the global management accounting bodies, sharing the best practices which will be useful to large number of trans-national Indian companies operating from India and abroad to remain competitive. With the current emphasis on management of resources, the specialized knowledge of evaluating operating efficiency and strategic management the professionals are known as "Cost and Management Accountants (CMAs)". The Institute is the 2nd largest Cost & Management Accounting body in the world and the largest in Asia, having approximately 5,00,000 students and 85,000 members all over the globe. The Institution headquartered at Kolkata operates through four regional councils at Kolkata, Delhi, Mumbai and Chennai and 105 Chapters situated at important cities in the country as well as 10 Overseas Centres. It is under the administrative control of Ministry of Corporate Affairs, Government of India.

The Institute apart from being a member of International Federation of Accountants (IFAC), South-Asian Federation of Accountants (SAFA), Confederation of Asian & Pacific Accountants (CAPA), National Advisory Committee on Accounting Standards (NACAS), and National Foundation for Corporate Governance (NFCG) is also a member of Government Accounting Standards Advisory Board (GASAB).



THE DIRECTORATE OF ADVANCED STUDIES

The Directorate of Advanced Studies has been constituted by the Institute in order to provide advanced knowledge and specialized training on various areas of Cost & Management Accountancy, including finance and other allied subjects.

The Directorate shall design, develop and deliver advanced courses that are of interest to Management Accountants and other professionals. It will also take up research in the area of Management Accounting and allied field of study.

Advanced courses will be designed for up-gradation of existing knowledge and skills and for acquiring new knowledge and skills. The courses shall aim to prepare practicing members and professionals to take up new areas of practice and consultancy and for members/professionals in industry to shoulder higher responsibilities.

ABOUT THE COURSE

- Valuation, particularly financial valuation, is emerging as an important profession, with the growth in the profession of financial analysts, increased interest in mergers, acquisitions as also demerger and divestiture, etc. increased interest of PE firms in Indian business and implementation of Ind-AS.
- The valuation profession is expected to get a boost with the introduction of the concept of Registered Valuers in the Companies Act 2013. Registered Valuers will provide valuation in respect of property, stocks, shares, debentures, securities, goodwill or any other assets or net worth of a company or its assets or liabilities.
- This diploma course aims to develop proficiency in Valuing assets and liabilities through a learning process that blends concepts with applications.
- The course is an advanced knowledge module that presupposes understanding of management accounting and corporate finance. The participants will get extensive exposure through project work on Valuation and by analyzing case studies.

WHO CAN BE BENEFITTED FROM THE COURSE

FINANCE PROFESSIONALS/CONSULTANTS

VALUERS

SECURITIES PROFESSIONALS

BANKING/INSURANCE PROFESSIONALS

FINANCIAL/BUSINESS ANALYSTS

ENGINEERS

CMD/CEO/CFO/DIRECTOR/GM/FINANCE HEADS

ACADEMICIANS



ELIGIBILITY

- CMA/CA/CS/Engineer/ MBA/M.Com or other Equivalent Qualifications
- Working Experience of 1-2 years will be preferred



LEARNING OUTCOMES

On successful completion of the course, participants will be able to apply the techniques and methods of valuation in real life situations in different contexts. In particular, participants shall:

- develop proficiency in business valuation, analyses and application of valuation tools and techniques
- develop capabilities to offer advisory/consultancy services in the area of valuation
- develop adequate expertise towards applying valuation techniques for decision making, model building and for preparing Valuation Reports following valuation ethics and applicable valuation standards
- understand various Corporate and Tax laws required to be considered while carrying out valuation assignments for different purposes and under different contexts.
- contribute positively in own business/employment

COURSE DURATION AND MODALITIES

- Total: 4 Modules (400 marks) + Project Work (Grade system)
- Course Duration: 6 months
- Course Fee: INR 30,000/- (including registration and study material) + Applicable GST
- Special Discount for CMA Members & Students: 20% special discount on the course fee
- Examination: Four times in a year
- Minimum pass mark: 50 Marks and above 60 in a module will qualify for exemption in that subject
- Re-registration with a fee of INR 3,000/- after 3 years of initial admission
- Study Materials and sample question papers for each subject will be provided
- 20 hours or above Webinar/Recorded Classes for each module

ADMISSION PROCEDURE

- Admission will be online only through Payment Gateway system
- For admission please visit the Institute's web site www.icmai.in and https://icmai.in/Advanced_Studies/
- **There will be no offline mode of admission**

FACULTY MEMBERS

Faculty members will be drawn from top academic Institutes, Industry and practitioners engaged in business valuation including Government officials and Regulators.

EVALUATION MECHANISM & FEES

- Participants will be evaluated through MCQ Examination.
- The participants will be evaluated for each module of the course.
- The participants who will score **50 percent** or **more** in the examination for each module and will obtain **B** or **higher grade** in the project will be awarded the **Executive Diploma in Business Valuation** by the Institute.
- Grades will be awarded on project work and will not be included in calculating aggregate marks.
- **Examination fee** (excluding Project) is **INR 2,000/- per attempt**.
- In addition, an amount of **INR 1,000/-** will be charged for Project submission and evaluation.



SYLLABUS COURSE CONTENTS

MODULE – I

Principles of Valuation and Valuation Approaches

(100 Marks)

MODULE – II

Application of Valuation Tools & Techniques

(100 Marks)

MODULE – III

Dynamics of Valuation, Compliance with Legal and Regulatory Provisions

(100 Marks)

MODULE – IV

Model Building, Validation and Valuation Reports

(100 Marks)

Project Dissertation & Presentation (including defense)

(Grade System)

Modules	Part	Subjects	Code	Marks
Module - I Principles of Valuation & Valuation Approaches	A	Principles of Valuation	POV	40
	B	Analyses & Valuation Approaches	AVA	60
Module - II Application of Valuation Tools & Techniques	A	Application of Business Valuation	ABV	60
	B	Valuation for Other Purposes	VOP	40
Module - III Dynamics of Valuation, Compliance with Legal & Regulatory Provisions	A	Corporate Laws Aspects	CLA	75
	B	Income Tax Provisions	ITP	25
Module - IV Model Building, Validation & Valuation Reports	A	Model Building for Business Valuation	MBV	50
	B	Valuation Standards, Validation and Report Writing	VSR	50

SYLLABUS STRUCTURE

A	Principles of Valuation	POV	40
B	Analyses & Valuation Approaches	AVA	60

Assessment Strategy

There will be a MCQ examination for 1 hr. 30 mnts.

Learning Objective

To gain adequate knowledge on Valuation Principles, Valuation Purpose and Role, various Approaches to Valuation

Learning Aims

The syllabus covered in this Module aims to enable the students understand:

- basic concepts of valuation, its principles and various valuation approaches
- and analyze financial statements from the standpoint of valuation
- and decide on the right valuation approaches to be adopted in a given situation

PART A: PRINCIPLES OF VALUATION

VALUATION FUNDAMENTALS & CONTEXTS

Definition, Concept and Fundamental Principles of Valuation, Purpose and Role of Valuation, Steps in Valuation, Distinction between Price and Value; Independence and objectivity; Overview of different valuation models, financial statements and value drivers.

ORGANIZATION AND ANALYSIS OF FINANCIAL STATEMENTS AND ACCOUNTING POLICY

Organization and Analysis of Key Financial and Non-Financial Ratios in forecasting future cash flows – Accounting Policy choices and scope of earnings management.

VALUATION INPUTS – STRATEGIC ANALYSIS

Industry Analysis e.g. (Porter's Five Forces Model), Audit of internal and external environment – SWOT&C, PEST Analysis; Company analysis - Analysis of the sources of past growth in ROIC and revenue and sustainability of the same vis-à-vis 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 item in the Profit and Loss Account with revenue and other drivers of costs and expenses.

PART B: ANALYSES AND VALUATION APPROACHES

- Sensitivity Analysis, Scenario Analysis, Simulation, Regression Analysis, Time Series model, Stress Testing
- Income Approach (Cash Flow Forecasting and Risk), Cost Approach and Market Approach
- 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 (including use of the concept of asset beta); determining the terminal value and determining the value of equity from the enterprise value
- Accounting Based Valuation
- Business valuation in Global Setup
- Techniques to manage Risks in Business Valuation
- Market Approach
- Direct comparison with comparables and multiples
- Replacement Cost Model
- Sum-of-Parts valuation
- Other approaches:
 - Asset approach and real option/contingent claim approach
 - 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



MODULE - II

APPLICATION OF VALUATION TOOLS & TECHNIQUES

100

SYLLABUS STRUCTURE

A	Application of Business Valuation	ABV	60
B	Valuation for Other Purposes	VOP	40

Assessment Strategy

There will be a MCQ examination for 1 hr. 30 mnts.

Learning Objective

To gain adequate expertise on the application of Valuation tools and techniques in a given situation

Learning Aims

The syllabus covered in this Module aims to make the students:

- Aware of the areas where valuation tools & techniques are applied and identify valuation requirements under different contexts
- Acquire sufficient knowledge about the various valuation tools & techniques
- Proficient in applying various valuation tools & techniques in a given situation and in different contexts

PART A: APPLICATION OF BUSINESS VALUATION

- Mergers & Amalgamations
- De Mergers
- Acquisitions/disposal of business/slump Sale
- Liquidation
- Internal & External Restructuring
- Valuation in Mergers and Acquisitions Strategies: Intensive Growth, Diversified Growth Moves and Synergies: Monopoly theory, Valuation theory, Overseas Merger
- Fair Value in Financial Reporting
- Valuation of closely held Companies
- Valuation of Investment Company
- Valuation of Startups
- Valuation of Stressed Companies – Liquidation valuation
- Valuation of IPOs and FPOs, Venture Capital
- Valuation of Power and Utilities Industries
- Valuation of Financial Institutions - Banks and Insurance Companies
- Valuation of Divestiture – Spin off/Split off

PART B: VALUATION FOR OTHER PURPOSES

- Asset Valuation, Cost Based Valuation
- Valuation of Derivatives – Financial Derivatives and Commodity Derivatives
- Valuation of Real estates, Plant & Equipment, Tangible and
- Intangible assets including Goodwill, Brand, Patent Rights etc.
- Valuation for collaterals
- Valuation of property and casualties insurance
- Valuation for Direct and Indirect Taxation
- Valuation of Equity/Preference Shares
- Bond Valuation and Valuation of securitized instruments
- Valuation of Instruments including mortgage based securities
- Offer For Sale

MODULE - III

DYNAMICS OF VALUATION, COMPLIANCE WITH LEGAL AND REGULATORY PROVISIONS

100

SYLLABUS STRUCTURE

A	Corporate Laws Aspects	CLA	75
B	Income Tax Provisions	ITP	25

Assessment Strategy

There will be a MCQ examination for 1 hr. 30 mnts.

Learning Objective

To enable the students acquire an overview of the Regulatory framework in the context of valuation and various legal & tax provisions which impact the valuation process

Learning Aims

The syllabus covered in this Module aims to make the students understand:

- various Corporate and Tax laws required to be considered while carrying out valuation assignments for different purposes and under different contexts
- implication and impact of various laws & regulations on valuation in a given situation and for different purposes and under different contexts.

PART A: CORPORATE LAWS ASPECTS

- Provisions under the Companies Act, 2013 on Valuation
- Companies (Registered Valuers and Valuation) Rules, 2017
- Accounting Standard in Valuation (Ind-AS)
- Goods & Services Tax Act, 2016
- Stamp Duty Act, 1899 (As amended)
- SEBI Regulations and Takeover Code
- Reserve Bank Regulations (Banks NBCC & Micro Finance Institutions)
- Foreign Exchange Management Act (FEMA)
- Regulatory Overview

PART B: INCOME TAX PROVISIONS

- Capital gains/losses
- Taxation on transfer of business/securities
- Treatment of business losses
- Statutory Valuation
- Carry forward losses
- Losses of closely held companies
- Income Tax provisions on valuation of unquoted equity shares
- ESOP



MODULE - IV

MODEL BUILDING, VALIDATION AND VALUATION REPORTS

100

SYLLABUS STRUCTURE

A	Model Building for Business Valuation	MBV	50
B	Valuation Standards, Validation and Report Writing	VSR	50

Assessment Strategy	There will be a MCQ examination for 1 hr. 30 mnts.
Learning Objective	To develop adequate expertise towards applying valuation techniques for decision making, model building and for preparing Valuation Reports following valuation ethics and applicable valuation standards
Learning Aims	<p>The syllabus covered in this Module aims to make the students:</p> <ul style="list-style-type: none">• aware of the ethics and standards to be followed in valuation assignments• capable of applying valuation techniques for decision making and model building• knowledgeable in conducting efficient due diligence• proficient in preparing effective Valuation Reports

PART A: MODEL BUILDING FOR BUSINESS VALUATION

- Ethics and Valuation
- International Standards on Valuation
- Valuation for Decision making through synergy effect
- Steps in Excel based Model Building



PART B: VALUATION STANDARDS, VALIDATION AND REPORT WRITING

- Engagement procedure for valuation assignment, term of reference and Deliverables
- Due Diligence: Application of Valuation Standards
- Data collection for Business Valuation
- Report for Gap Analysis
- Business Valuation Report Writing

PROJECT DISSERTATION & PRESENTATION (INCLUDING DEFENSE)

All candidates will be required to complete a project on Business Valuation. The candidate will register his/her project with the Institute and shall commence working on the same after receiving approval from the Directorate of Advanced Studies. He/She will submit the project report within one month from the date of the issuance of the approval by the Directorate of Advanced Studies. The submission of the project report may be extended for another one month under special circumstances with prior permission from the Directorate. He/ She will be required to present the project report before the Directorate of Advanced Studies and defend the same. **The candidate is required to select his/her own Project guide and the Institute will not be responsible for selection of Project guide on behalf of the candidate.**

The Pass Certificate will be issued only after passing all examinations including project assignment.



COURSE DIRECTOR

CMA (Dr.) Debaprosanna Nandy
Sr. Director - Advanced Studies

www.icmai.in

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

✉ advstudies@icmai.in ☎ +91 33 4036 4779
+91 33 4036 4789

HEADQUARTERS

CMA Bhawan, 12, Sudder Street, Kolkata - 700 016

DELHI OFFICE

CMA Bhawan, 3, Institutional Area, Lodhi Road, New Delhi - 110003