

**SES's L.S. RAHEJA COLLEGE OF ARTS AND  
COMMERCE  
(AUTONOMOUS)**



**Syllabus of Fundamentals of Business Valuation under NEP 2020 vertical SEC with effect  
from 2024-25**

**DEPARTMENT OF BACHELOR OF COMMERCE  
(FINANCIAL MARKETS)**

HoD/Coordinator of the Department: Ms. Divya Kanchan

Date of approval by the BoS: 27<sup>th</sup> April, 2024

Approved by the Academic Council on: 29<sup>th</sup> April, 2024

Ratified by the Governing Body on: 6<sup>th</sup> May, 2024



<b>Programme:</b> Bachelor of Commerce (Financial Markets)		<b>Semester : II</b>			
<b>Course :</b> Fundamentals of Business Valuation <b>Academic</b> <b>Year: 2024-</b> <b>2025      Batch:</b> <b>2024-2027</b>		<b>Code: UGBFMIISEC224</b>			
<b>Teaching Scheme</b>	<b>Evaluation Scheme</b>				
<b>Lectures</b>	<b>Practical</b>	<b>Tutorials</b>	<b>Credits</b>	<b>Internal Continuous Assessment (ICA) (weightage)</b>	<b>Term End Examinations (TEE) (weightage)</b>
<b>30</b>	<b>Nil</b>	<b>Nil</b>	<b>2</b>	<b>20 marks/40% of the total marks</b>	<b>30 marks/60% of the total marks</b>

<b>Learning Objectives :</b>	<ol style="list-style-type: none"> <li>1. To enable the students to understand the purpose and usages of business valuation.</li> <li>2. To introduce the students to the conceptual framework of business valuation and basic terminologies.</li> <li>3. To help the students familiarise with various approaches to business valuation and methods of the same.</li> <li>4. To introduce the students to financial decision making based on business valuation.</li> </ol>
<b>Learning Outcomes:</b>	<ol style="list-style-type: none"> <li>1. Learn about the need and utility of business valuation, conceptual framework and basic terminologies of business valuation.</li> <li>2. Understand process and steps of Valuation of goodwill as per maintainable profit method, super profit method, capitalisation method, Valuation of shares under intrinsic value method Yield method and fair Value method.</li> <li>3. Familiarise the approaches and methods of business valuation.</li> <li>4. Apply theories in financial decision making.</li> </ol>
<b>Pedagogy:</b>	Classroom Teaching, Case-Studies, Group Discussions, Problem Solving

Module	Module Content	Module Wise Duration/ Lectures
I	<p><b>Basics of Valuation</b>– Meaning, definitions and understanding of fundamental concepts of finance associated with Business finance and valuation, Introduction to Valuation, Distinction between Price and Value Foundation of Business Valuation, Purpose of business valuation, Valuation Bias, Uncertainties in Business Valuation Role of valuation in business acquisition, legal and tax purposes.</p> <p>Introduction to valuation models: asset based approach, Income based approach, market based approach</p>	15 Lectures
II	<p><b>Valuation of Business Assets :</b></p> <p>1. Valuation of Goodwill: Nature, Purpose, Need and objectives, Introduction to theory of Methods: Maintainable Profit method, Super Profit Method Capitalization method</p> <p>2. Valuation of Shares Basics of Company analysis and stock selection Introduction to theory of methods: Intrinsic Value, Yield Value and Fair Value</p>	15 Lectures

## REFERENCE BOOKS

1. Marshall, J. F., & Bansal, V. K. (1992, January 1). Financial Engineering. Prentice Hall.
2. Fischer, D. E., & Jordan, R. J. (1991, January 1). Security Analysis and Portfolio Management.
3. Damodaran, A. (2012, March 16). Investment Valuation. John Wiley & Sons.