

<b>General information</b>			
Course co-ordinator		Boris Sruk, M.Sc, Lecturer	
Course title		<b>ESTIMATE OF COMPANY'S VALUE</b>	
Study programme		Professional graduate study programme	
Course status		Obligatory	
Year	Semester	2	3
Value of credits and lecturing procedures		ECTS	6
		Number of hours (Lectures+Exercises+Seminars)	45 (30+0+15)

<b>1. COURSE DESCRIPTION</b>	
<i>1.1. Objectives</i>	
<p>The objective of the course is acquiring theoretical and practical knowledge necessary for the estimate of company's value which, in synergy with the course Business Combinations, enables the students to completely understand the methodology of estimate of the company and objectively examine all factors which have an influence on formation of company's values – especially those companies which have stocks which are not admitted in the active capital market. The objective is to acquaint the students with the procedure of thorough scanning of the company which is a potential purchase object (due diligence) with focus on financial due diligence. Furthermore, the students should learn how and under which conditions to apply static, dynamic or combined methods of estimate of the company.</p>	
<i>1.2. Course enrolment conditions</i>	
None	
<i>1.3. Expected outcomes of the course</i>	
<ol style="list-style-type: none"> <li>1. to describe the main characteristics of specific estimating methods of company's value</li> <li>2. to select the estimating method in view of the company's characteristics and character of transaction</li> <li>3. to identify and calculate the inputs necessary for the particular estimating method</li> <li>4. to apply estimating methods on the particular company</li> <li>5. to interpret the results obtained by the particular method of estimating</li> </ol>	
<i>1.4. Course contents</i>	
<p>Introduction into the estimate of company's value: term of company's estimate, purpose and aim of estimate, factors which influence the estimate. Due diligence – term and types (financial, tax, legal, management due diligence and other). Static and dynamic approach to the estimate of company's value. Meaning of fair values contained in financial reports as sources of information for starting procedures of company's estimate. Methods of company's estimate based on assets – bookkeeping value of the company, market, fair, reproduction, substitutional, solvent and disintegrated value of the company. Methods of estimate of the company's value based on expected gain – method of economic value of the company, estimate of company's value by the method of discounting future money flows (net current value of the company, model of adjusted current value of the company); method of estimate by using a multiplier. Combined methods: method of average value, integrative methods, method of non-direct combining. Comparative analysis of financial indicators functioning for value testing.</p>	
<i>1.5. Teaching methods</i>	<input checked="" type="checkbox"/> lectures <input type="checkbox"/> instruction <input checked="" type="checkbox"/> guided discovery learning <input checked="" type="checkbox"/> discussion <input checked="" type="checkbox"/> group/team learning <input type="checkbox"/> _____

1.6. <i>Comments</i>							
1.7. <i>Students' obligations</i>							
Attendance in classes – part time students are expected to be present at least 50% of the total teaching hours, whereas full time students are expected to be present at least 70% of the total teaching hours. In the case of student's inability to have the required attendance percentage, he/she will be required to write a seminar paper on the topic determined by the lecturer. The submission of the correct seminar paper represents the condition to take the exam.							
1.8. <i>Monitoring students' accomplishments</i>							
Attendance	0.5	Student's activity during lectures	0.5	Seminar paper	1.0	Experimental work	
Written exam	2.0	Oral exam		Essay		Research work	1.0
Project		Permanent testing of student's knowledge		Written presentation		Practical work	
Portfolio		Independent task solving	1.0				
1.9. <i>Measuring the achievements of learning outcomes and evaluation and assessment of the results of students' work</i>							
The workload factor of each learning outcome stated in the Chapter 1.3. totals 1. A half of the workload factor for each learning outcome represents a minimum threshold for the achievement of the this learning outcome. During the semester evaluated are student's activity, independent task solving, writing a seminar paper and research work related to price movement on the stock exchange. The final exam is in a written form.							
1.10. <i>Obligatory reading</i>							
<ol style="list-style-type: none"> <li>1. Orsag, Silvije: Vrednovanje poduzeća, Infoinvest, Zagreb 1997.</li> <li>2. Šestanović, A.: Prezentacije, bilješke s predavanja i vježbe s riješenim zadacima 2018/2019. (dostupno na Eduneti)</li> </ol>							
1.11. <i>Optional reading</i>							
<ol style="list-style-type: none"> <li>1. Stowe, J.D. et al.: Equity Asset Valuation, Wiley 2007.</li> <li>2. Kolačević, S.; Hreljac, B.: Vrednovanje poduzeća, TEB, Zagreb, 2009</li> <li>3. Lasić, V. (et al.): Osnove procjene ekonomske vrijednosti, Hrvatska zajednica računovođa i financijskih djelatnika, Zagreb, 2010.</li> <li>4. Tichy, Geiserich E.: Procjena vrijednosti poduzeća, Faber &amp; Zgombić plus d.o.o., Zagreb, 2002.</li> <li>5. Professional articles</li> </ol>							
1.12. <i>Quality control which ensures the acquisition of the corresponding knowledge, skills and competences after the completion of the study.</i>							
At the end of the semester the students fill in an anonymous questionnaire. The comments, suggestions and information in the questionnaire and the evaluation procedures are to be used to improve lectures, exercises and other ways of work with students. Self-evaluation of teaching stuff is aimed at making some corrections in order to improve the quality of teaching.							
1.13. <i>Expected competences</i>							
<ul style="list-style-type: none"> <li>- Knowledge and understanding of input parameters for estimating the company's value.</li> <li>- Analytical approach to the selection of the estimating method of the company's value.</li> <li>- Critical evaluation of company's value estimates.</li> </ul>							