

Security Analysis and valuation

Module description

This module will provide students with a range of techniques which investors use to analyse financial statements to obtain an indication of the underlying value of firms. It focuses on applying fundamental analysis based on earnings rather than cash flows approach to evaluate business strategies and determine security valuation. Thus, this module adopts an integrated conceptual framework showing how value which businesses generate is captured (or not captured) in financial statements, and how analysts translate their knowledge of a business into a valuation.

Learning outcomes

Upon successful completion of this module, students should be able to:

- Analyse and evaluate financial statements of firms
- Analyse how business value is created
- Explain and distinguish the relevance of accounting and cash flow based models to business forecasting and valuation
- Apply forecasting techniques to business valuation
- Critically discuss the developments and empirical implications of valuation models

Assessment

- 1 group assignment (approx 2,000 words) to be submitted by March/April (25%)
- 2-hour exam in May/June (75%)