

# **As Per NEP 2020**

## **Tolani College of Commerce (Autonomous)**



**Title of the Course: Financial Analysis and Business Valuation  
(Semester – VI)**

**Programme: B.Com (Accounting and Finance)**

**Syllabus for 4 Credit Course  
From the Academic Year 2025 – 2026**

## Name of the Course: Financial Analysis and Business Valuation

Sr. No.	Heading	Particulars
1	<b>Description of the course:</b>	Financial Analysis and Business Valuation equips students with skills to assess a company's financial health and value. The course covers financial modeling, project appraisal, statement analysis, ratio analysis, forecasting, and valuation methods like DCF. Through practical exercises, students gain hands-on experience in business valuation and financial decision-making.
2	<b>Vertical:</b>	Major Electives
3	<b>Type:</b>	Theory
4	<b>Credit:</b>	4 Credits
5	<b>Hours Allotted:</b>	60 Hours
6	<b>Marks Allotted:</b>	100 Marks Continuous Evaluation 40 Marks Semester End Examination 60 Marks
7	<b>Course Objectives:</b>	<ol style="list-style-type: none"> <li>1. To enable students to understand the use of financial functions like NPV and IRR in evaluating project feasibility.</li> <li>2. To provide students with the tools needed for analyzing financial statements, including income statements, balance sheets, and cash flow statements.</li> <li>3. To familiarize students with key valuation models, including discounted cash flow (DCF) and free cash flow valuation techniques.</li> <li>4. To provide students with the skills to apply asset and liability valuation techniques in real business contexts.</li> </ol>
8	<b>Course Outcomes:</b>	<ol style="list-style-type: none"> <li>1. To create and apply financial models to assess the feasibility and profitability of business projects</li> <li>2. To evaluate financial performance using trend analysis and common-size financial statements.</li> <li>3. To apply valuation techniques to determine the value of businesses or projects in various scenarios.</li> <li>4. To assess the strategic impact of asset and liability valuation on financial decision-making and corporate strategy.</li> </ol>
9	<b>Modules</b>	
	<b>Module 1: Financial Modeling for project Appraisal.</b>	<b>(15 Hours)</b>
	<ul style="list-style-type: none"> <li>• Meaning, features and characteristics of Financial Modelling</li> <li>• Applications of Financial Modelling and Financial Statement Module area.</li> <li>• Uses of financial Modelling, users of financial models and forecasting techniques.</li> <li>• Use of Functions-NPV and IRR (Practical sums).</li> </ul>	
	<b>Module 2: Financial, Growth Analysis and Sustainable Earning.</b>	<b>(15 Hours)</b>
	<ul style="list-style-type: none"> <li>• Meaning and tools of Financial Analysis</li> <li>• Analysis of Income statement and Balance sheet</li> <li>• Analysis of Financial Statement and Cash Flow Statement.</li> <li>• Concepts of growth Analysis and Evaluation of P/B Ration and P/E Ratios</li> </ul>	

	<ul style="list-style-type: none"> <li>• Practical sums on Financial Analysis( Trend Analysis, Common size statement, Comparative statement)</li> <li>• Practical sums on Ratio Analysis and Cash Flow</li> </ul>
	<p><b>Module 3: Basics of valuation and Valuation models (15 Hours)</b></p> <ul style="list-style-type: none"> <li>• Introduction to valuation And Valuation Models Principles of valuation and purpose of business valuation.</li> <li>• Uncertainties in Valuation and Role of valuation in business Acquisition.</li> <li>• Discounted Cash Flow Valuation and Free cash flow valuation</li> <li>• Practical sums</li> </ul>
	<p><b>Module 4: Valuation of Assets and Liabilities (15 Hours)</b></p> <ul style="list-style-type: none"> <li>• Meaning and Importance of Valuation, Principles of Valuation, Factors Affecting Valuation</li> <li>• Significance, objectives of Valuation of fixed assets, valuation of inventories, valuation of investment Valuation of shares.</li> <li>• Practical sums.</li> </ul>
9	<p>Reference Book</p> <ol style="list-style-type: none"> <li>1. <b>Financial Statement Analysis and Security Valuation – Stephen H. Penman</b> <ul style="list-style-type: none"> <li>○ Publisher: McGraw Hill</li> <li>○ Edition: 5th (2012)</li> </ul> </li> <li>2. <b>Financial Statement Analysis: A Practitioner's Guide – Martin S. Fridson and Fernando Alvarez</b> <ul style="list-style-type: none"> <li>○ Publisher: Wiley</li> <li>○ Edition: 5th (2022)</li> </ul> </li> <li>3. <b>Analysis for Financial Management – Robert C. Higgins</b> <ul style="list-style-type: none"> <li>○ Publisher: McGraw Hill</li> <li>○ Edition: 12th (2018)</li> </ul> </li> <li>4. <b>Financial Reporting and Analysis – Charles H. Gibson</b> <ul style="list-style-type: none"> <li>○ Publisher: Cengage Learning</li> <li>○ Edition: 13th (2016)</li> </ul> </li> <li>5. <b>The Analysis and Use of Financial Statements – Gerald I. White, Ashwinpaul C. Sondhi, and Dov Fried</b> <ul style="list-style-type: none"> <li>○ Publisher: Wiley</li> <li>○ Edition: 3rd (2003)</li> </ul> </li> <li>6. <b>Valuation: Measuring and Managing the Value of Companies – McKinsey &amp; Company Inc., Tim Koller, Marc Goedhart, and David Wessels</b> <ul style="list-style-type: none"> <li>○ Publisher: Wiley</li> <li>○ Edition: 7th (2020)</li> </ul> </li> <li>7. <b>Investment Valuation: Tools and Techniques for Determining the Value of Any Asset – Aswath Damodaran</b> <ul style="list-style-type: none"> <li>○ Publisher: Wiley</li> <li>○ Edition: 3rd (2012)</li> </ul> </li> <li>8. <b>Business Valuation: Theory and Practice – Vernon Martin</b> <ul style="list-style-type: none"> <li>○ Publisher: Wiley</li> <li>○ Edition: 1st (2021)</li> </ul> </li> <li>9. <b>Valuing a Business: The Analysis and Appraisal of Closely Held Companies" – Shannon P. Pratt</b> <ul style="list-style-type: none"> <li>○ Publisher: McGraw Hill</li> <li>○ Edition: 5th (2007)</li> </ul> </li> </ol>

10. **Equity Asset Valuation – Jerald E. Pinto, Elaine Henry, Thomas R. Robinson, and John D. Stowe**
- Publisher: Wiley (CFA Institute Investment Series)
  - Edition: 3rd (2020)

### Evaluation Pattern

Continuous Evaluation: 40%  
Semester End Examination: 60%

### Semester End Examination Question Paper Pattern

Maximum Marks: 60

Duration: 2 Hours

All Questions are Compulsory Carrying 15 Marks each.

Q. No.	Particular	Marks
Q-1	A. Practical Question	15 Marks
	OR	
	B. Practical/ Theory Question C. Practical/ Theory Question	08 Marks 07 Marks
Q-2	A. Practical Question	15 Marks
	OR	
	B. Practical/ Theory Question C. Practical/ Theory Question	08 Marks 07 Marks
Q-3	A. Practical Question	15 Marks
	OR	
	B. Practical/ Theory Question C. Practical/ Theory Question	08 Marks 07 Marks
Q-4	A. Practical Question	15 Marks
	OR	
	B. Practical/ Theory Question C. Practical/ Theory Question	08 Marks 07 Marks

**Note: Questions of 7/8 marks (Practical/theory) may also be divided as 2 questions of 10/5 marks (Practical/theory) or 1 full length question (Practical/theory) of 15 marks.**

### Signature of Team Members

Sr. No.	Name	Signature
1	Mr. Murugan Nadar	
2	Mr. Mubeen Shaikh	
3	Ms. Shweta Ghule	