FINA 4013 – Corporate Valuation

School:	**School of Business and Management**
Subject Area:	**Finance**
Course Credit:	**3**
Instructor:	**MAK Vincent**
Pre-requisite/co-requisite:	**Details Here**

Notes:

- The syllabi provided here is for reference only and may be subject to changes and adjustments as determined by the course instructors.

FINA 4013 Corporate Valuation

Summer 2026

1. GENERAL INFORMATION

Instructor:	Vincent H. Mak
Email:	vmak@ust.hk
Office & office hours:	LSK 5083, by appointment
Teaching Assistant:	Yaqi Wang
Email:	ywangpn@connect.ust.hk
Office & office hours:	TBC
Class Dates and Venue:	15 Jun to 10 Jul 2026, MWF 14:00-17:50, LSK1009
Course Prerequisite(s):	FINA 3303
Course Exclusion(s):	FINA 3303H
Course Add/drop deadline:	20 Jun 2026
	(Any late add/drop will not be considered, please contact your program office)
Canvas course site:	https://canvas.ust.hk/courses/

2. COURSE DESCRIPTION

This course teaches students how to use financial information to value firms. By the end of this course, students will be able to value firms using discounted cash flow valuation, relative valuation, and real options.

3. COURSE OBJECTIVES

This course will help you determine the worth of a business. You will estimate cash flows, discount rates, and terminal values to establish fundamental values of firms. In addition to discounted cash flow (DCF) analysis, you will examine alternative approaches such as real option valuation and relative valuation. The basic premise of the course is that companies thrive when they create economic value for their investors. And, companies create value by investing capital at rates of return that exceed their cost of capital. The course teaches you how to apply these core principles of value creation. While the course clarifies the link between strategy and finance, it is primarily a how-to course. We strive to keep it practical.

4. COURSE LEARNING OUTCOMES

CLO1. Analyze firm financial performance through financial statement analysis and find out the value drivers
CLO2. Prepare projected financial statements and make a forecast of firm's free cash flows
CLO3. Estimate the firm's cost of capital
CLO4. Apply the DCF model to value firms
CLO5. Apply the multiples and real options approached to value firms
CLO6. Apply valuation models to real world situations

5. COURSE TEACHING AND LEARNING ACTIVITIES

Course Teaching and Learning Activities	Expected contact hours	Study Load (% of study)
Lectures	35	39%
Valuation project preparation and presentation	25	28%
Homework	10	11%
Self-study and review	20	22%
Total		
Total	90	100%

Assessment Methods	Brief Description	Weight (%)	Aligned Course Learning Outcomes (CLO no in section 4)

Class participation	Class attendance and participation in discussion	15%	CLO1, CLO2, CLO3. CLO4, CLO5, CLO6
Homework	1 homework assignment	20%	CLO1, CLO2, CLO3,CLO4,CLO5,
Valuation Project		25%	CLO1, CLO2, CLO3. CLO4, CLO5, CLO6
Final Exam		40%	CLO1, CLO2, CLO3. CLO4, CLO5, CLO6
	Total	100%	

6. STANDARDS FOR ASSESSMENT

Course Grade Descriptors

A+	Outstanding
A	Excellent
A-	Strong
B+	Very good
B	Good (average)
B-	Faltering
C+	Weak
C	Marginal
F	Failure

This course will be assessed using criterion-referencing and grades will not be assigned using a curve.

Assessment Rubrics For Each Assessment

Class Participation (15%):
Class participation includes attendance, volunteered and "cold call" questions and responses. Do not simply wait for to be called on; raise your hand or speak out. The points you receive for class participation will reflect the quality and quantity of your contribution. We will take attendance.

Homework Assignments (20%)
One homework based on course material. The homework should be completed by a group of six to seven students depends on final enrollment. You may discuss concepts and techniques with others. However, it is important that you solve the questions by yourself. Questions are designed to test your understanding of finance concepts as well as your ability to solve numerical problems using the core principles and techniques. Late submissions will not be accepted. Due dates will be announced on Canvas.

Valuation Project (25%)
You will work on a valuation project throughout the course by a group of six to seven students depends on final enrollment. The project will be split into multiple steps with separate deadlines:
a) select a publicly traded company and collect its financial statements;
b) pick currency & riskfree rate, estimate cost of capital;
c) examine operating history, estimate growth & future cash flows
d) craft a valuation narrative
e) complete intrinsic valuation, submit spreadsheets and presentation

The company you value must not be one that you have done prior valuation work on. Feedback would be provided to part a-d, final project grade would be given after Project Submission. While you are free to construct your own spreadsheet, a template spreadsheet would be provided to you.

Final Examinations (40%)
The final exam will cover the entire course.
You cannot take the final exam early and there will be no makeup exam for those who miss it.

7. COURSE CONTENT AND TENTATIVE TEACHING SCHEDULE

Session	Course Content (tentative)

1	Ch 1,2: Introduction to Valuation, Approaches to Valuation
2	Ch 3: Understanding Financial Statements, Bloomberg/LSEG Training
3	Ch 7,8: Riskless Rates and Risk Premiums, Estimating Risk Parameters and Costs of Financing (Must be in a group)
4	Ch 9,10: Measuring Earnings, From Earnings To Cash Flows (Project part a, b due)
5	Ch 11,12: Estimating Growth, Closure in Valuation: Estimating Terminal Value
6	Ch 14,15: Equity Intrinsic Value Models, Firm Valuation: Cost of Capital and Adjusted Present Value Approaches (Project part c due)
7	Ch 15,16: Estimating Equity Value per Share (Homework 1 due, Project part d due)
8	Ch 17,18: Fundamental Principles of Relative Valuation, Earnings Multiples (Project part e due, Project Submission)
9	Ch 22,28: Valuing Money-Losing Firms, The Option to Delay and Valuation Implications
10	Final Examination

8. TEACHING MATERIALS (e.g. journals, textbooks, website addresses etc.)

Required Texts and Materials

Aswath Damodaran, Investment Valuation, John Wiley and Sons, latest ed.

9. MEANS/PROCESSES FOR STUDENT FEEDBACK ON COURSE

a) Ongoing active feedback is encouraged at any time in person, via discussion board or email with the lecturer or TA as students prefer
b) A mid-course survey will be taken in-class/online halfway through the course
c) Complete online Student Feedback Questionnaires (SFQ) Survey during two weeks before the course ends at:
    i.   Canvas website (https://canvas.ust.hk) or
    ii.   ii. SFQ Mobile website (http://sfq.ust.hk/mobile/) or
    iii.   iii. HKUST iLearn App at smartphones/tablets

10. COURSE POLICY (e.g. plagiarism, academic honesty, attendance, etc.)

Any student caught cheating or plagiarizing will receive zero credit and may face further disciplinary action. Please refer to https://registry.hkust.edu.hk/resource-library/academic-integrity for HKUST rules regarding academic integrity.

11. ADDITIONAL COURSE INFORMATION (e.g. e-learning platforms & materials, penalty for late assignments, etc.)

Course AI Policy

Policy for Generative AI: In this course, you are allowed to use generative AI to aid you in any manner. However, you must give proper credit for any use of generative AI." More examples are available here: https://cei.hkust.edu.hk/en-hk/system/files?file=hkust_policy_principles_for_genai_for_tl_student_version.pdf&check_logged_in=1

Communication and Feedback

Assessment marks for individual assessed tasks will be communicated via Canvas within two weeks of submission. Feedback on assignments will include comments on strengths and areas for improvement. Students who have further questions about the feedback including marks should consult the instructor within five working days after the feedback is received.