

Valuation: métodos e aplicações

SYLLABUS

Program: Mestrado Profissional em Controladoria e Finanças

Course: Valuation

Credits: 8

Instructor: Luciana Maia Campos Machado

2025

General goals: This course focuses on the theory and practice of **valuation**. Topics include discounted cash flow models, relative valuation, real options, and valuation of specific asset classes (startups, mature companies, financial institutions, and distressed firms). The course emphasizes the application of valuation techniques to real-world cases and the critical interpretation of results in contemporary corporate finance practice.

The course also addresses the limitations of different approaches and the implications of valuation for investment, corporate strategy, and financial decision-making.

Course structure: The first part of each class will consist of the instructor's presentation. Students are expected to have previously read the basic bibliography indicated for discussion.

1. Readings

Students must read the book chapters corresponding to the session and papers related to them. I expect a lot of participation and discussion about theory and papers. Be prepared to eventual questions.

2. Presentations: book chapters and papers

In every session we will discuss one or two book chapter(s) and two or three articles related to them. The students designated must prepare quality presentations.

3. Academic paper proposal

Students will be required to develop an **academic paper proposal** related to valuation. The work should:

- a) Identify a relevant research question in the field of valuation.
- b) Review the main theoretical and empirical contributions related to the topic.
- c) Propose a methodological approach (theoretical model, empirical test, or case-based analysis).
- d) Highlight the expected contributions to research and practice.

The proposal must be prepared individually or in pairs and submitted on Blackboard before the final session. Students will present their proposals in class for feedback and discussion.
classes.

Grading:

Participation in class discussions:20%
Presentations:40%
Academic paper proposal:40%

About presentation and paper discussion

In every session we will discuss one or two book chapter(s) and two articles or case studies related to them. Each one will be presented by a student, according to the established distribution. The articles are listed at the end of this syllabus and the presentation distribution will be included in an Excel file.

Please note that:

- The presenter must submit the presentation (a well-structured PowerPoint) one day before class, making it available for all classmates and the instructor.
- It is essential to explain the paper's main theory, model, or case and connect it directly to the book chapter discussion (e.g., valuation methods such as DCF, multiples, or real

options). For example: if your article is about multiples valuation in emerging markets, explain the methodology clearly and compare it with the textbook discussion.

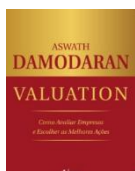
- Comparisons with the Brazilian market are strongly encouraged. Students are invited to search for national articles in leading journals and conferences such as **EBFIN**, **EnANPAD**, and **BALAS** to enrich the discussion.
- If the article is contextualized in another country or market, you must highlight the main characteristics of that context to ensure proper understanding and to contrast with the Brazilian environment when possible.

Course schedule and readings:

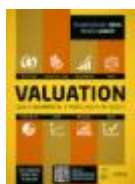
Session	Date	Topic	Chapter (<i>SERRA, 2019</i>)
1		Introduction and Valuation Fundamentals	Ch. 1 – Fundamental Guide; Ch. 2 – Risk vs. Return
2		Basic Valuation Models	Ch. 3 – Discounted Dividend Models
3		Cash Flow to Investors	Ch. 4 – Cash Flow to Investors
4		Cost of Capital (Part I)	Ch. 5 – Investors’ Cost of Capital; Ch. 6 – Assumptions for Cost of Capital
5		Firm Value vs. Equity Value	Ch. 7 – Firm Value vs. Equity Value
6		Capital Structure	Ch. 8 – Capital Structure
7		Growth and Cash Flow to Equity	Ch. 9 – Growth Rate; Ch. 10 – Cash Flow to Shareholders

8		Valuation by Multiples	Ch. 11 – Valuation by Multiples
---	--	------------------------	---------------------------------

Basic Bibliography



Damodaran, A. (2012). *Valuation - Como Avaliar Empresas e Escolher as Melhores Ações*. Grupo GEN. <https://integrada.minhabiblioteca.com.br/books/978-85-216-2803-3>



Serra, R. G. (2019). *Valuation - Guia Fundamental e Modelagem em Excel®*. Grupo GEN. <https://integrada.minhabiblioteca.com.br/books/9788597022599>

Papers

Session #1: Introduction and Valuation Fundamentals

Penman, S. (2021). Accounting for risk. *Foundations and Trends® in Accounting*, 15(4), 373-507.

Bai, Y., & Zhang, B. (2025). Fundamental analysis of initial coin offerings. *International Journal of Finance & Economics*, 30(1), 879-892.

Session #2: Basic Valuation Models

Lestari, N. A., Antony, A., & Alhidayatullah, A. (2023). Evaluation of Stock Through Fundamental Analysis With The Dividend Discount Model (DDM) Approach. *International Journal of Indonesian Business Review*, 2(1), 85-95.

Lumapow, L. S., & Tumiwa, R. A. F. (2017). The effect of dividend policy, firm size, and productivity to the firm value. *Research Journal of Finance and Accounting*, 8(22), 20-24.

Session #3: Cash Flow to Investors

Habib, A. (2012). Growth opportunities, earnings permanence and the valuation of free cash flow. *Australasian Accounting, Business and Finance Journal*, 5(4).

Session #4: Cost of Capital (Part I)

Rehman, R., & Raoof, A. (2010). Weighted average cost of capital (WACC) traditional vs new approach for calculating the value of firm. *International Research Journal of Finance and Economics*, 45, 7-9.

Fama, E. F., & French, K. R. (1996). The CAPM is wanted, dead or alive. *The Journal of Finance*, 51(5), 1947-1958.

Session #5: Firm Value vs. Equity Value

Ibrahim, M. M. (2023). The effect of accounting and market indicators on the firm value. *International Journal of Research in Finance and Management*, 6(2), 164-168.

Li, S., Sougiannis, T., & Wang, S. I. (2025). Mandatory IFRS adoption and the usefulness of accounting information in predicting future earnings and cash flows. *The International Journal of Accounting*, 60(01), 2450016.

Session #6: Capital Structure

Dang, H. N., Vu, V. T. T., Ngo, X. T., & Hoang, H. T. V. (2019). Study the impact of growth, firm size, capital structure, and profitability on enterprise value: Evidence of enterprises in Vietnam. *Journal of Corporate Accounting & Finance*, 30(1), 144-160.

Matias Gama, A. P., & Manuel Mendes Galvão, J. (2012). Performance, valuation and capital structure: survey of family firms. *Corporate Governance: The International Journal of Business in Society*, 12(2), 199-214.

Session #7: Growth and Cash Flow to Equity

Abraham, R., El-Chaarani, H., & Tao, Z. (2022). Predictors of excess return in a green energy equity portfolio: Market risk, market return, value-at-risk and or expected shortfall? *Journal of Risk and Financial Management*, 15(2), 80.

Attah, R. U., Garba, B. M. P., Gil-Ozoudeh, I., & Iwuanyanwu, O. (2024). Corporate banking strategies and financial services innovation: Conceptual analysis for driving corporate growth and market expansion. *International Journal of Engineering Research and Development*, 20(11), 1339-49.

Gregory, R. P. (2022). ESG activities and firm cash flow. *Global Finance Journal*, 52, 100698.

Session #8: Valuation by Multiples

Freihat, A. R. F. (2019). Factors affecting price to earnings ratio (P/E): Evidence from the emerging market. *Risk Governance & Control: Financial Markets & Institutions*, 9(2).

Saliba, R. V. (2008). Aplicação de modelos de avaliação por múltiplos no Brasil. *Revista Brasileira de Finanças*, 6(1), 13-47.

Jain, S., & Agarwalla, S. K. (2023). Big-4 auditors and audit quality: A novel firm life-cycle approach. *Meditari Accountancy Research*, 31(5), 1436-1452.