

Objectives

1. To equip students with the key concepts and understanding in valuation of major asset classes : Bonds, Fixed Income, Financial Derivatives, Real Estate, Equities, Intangibles and M&A.
2. To equip students with the key concepts and understanding in using fair value measurement for assets as required by the Singapore Financial Reporting Standards.

Learning Outcomes

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

- Understand the basic economic theory that drives valuation
- Understand the requirements of fair value accounting
- Understand what are the major valuations methods of the various asset classes
- Able to apply the valuation methods to the requirements of the various FRSs in Singapore for accounting purposes.

Learning Outcomes

Upon successful completion of this module, students will have covered the following:

- Valuation requirements of FRS 16, 36, 38, 39, 40, 102, 103 and 113
- Basics in valuations (parameters, models and applications)
- Various valuation methodologies
- Valuation of different asset classes: Bonds, Fixed Income, Financial Derivatives, Real Estate, Equities, Intangibles and M&A.

Textbooks

Aswald Damodaran, “Investment Valuation: Tools and Techniques for Determining the Value of any Asset, University Edition, Wiley, 3rd Edition. (Chapters: 1-4, 6-26, 30)

John C Hull, Options, Futures, and Other Derivatives, Edition 8/E, Pearson Publishing. (Chapters: 7, 9-12, 14-17, 24, 28-31)

Frank J. Fabozzi, Bond Markets, Analysis, and Strategies, Edition 8/E, Pearson Publishing. (Chapters: 2-5, 10, 14, 15, 17-19)

Instructors

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Assessment

	Content	Allocation
a.	Class Assignments and Participation	40%
b.	Mid-Term Test	30%
c.	Final test	30%
	TOTAL	100%

Detailed Syllabus

Week Beginning	Topics	Text Book Additional Materials
Week 1 10 Aug	Introduction to Fair Value Accounting and Overview of Valuation <ul style="list-style-type: none"> • Purposes of Valuation • Requirements of FRS 39 and 113 • Fundamentals of Valuation 	Damodaran Chap 1-3 FRS 39 and 113 *Combined Lecture on 15 August 2015 (Saturday 9am to 12pm)
Week 2 17 Aug	Bonds and Fixed Income Instruments I <ul style="list-style-type: none"> • Structure and characteristics of Bonds • Valuation of Bonds 	Fabozzi Chapters 2-5
Week 3 24 Aug	Bonds and Fixed Income Instruments II <ul style="list-style-type: none"> • Valuation of Fixed Income Instruments with Embedded Characteristics 	Fabozzi Chapters 10, 14, 15, 17-19
Week 4 31 Aug	Financial Derivatives I <ul style="list-style-type: none"> • Valuating Swaps • Types of Financial Derivatives • Challenges in Valuing Derivatives 	Hull Chapters 7, 24, 28-31
Week 5 7 Sep	Financial Derivatives II <ul style="list-style-type: none"> • Black-Scholes Option Pricing Model • Valuing Options • Valuation of Stock Options (FRS 102) 	Hull, Chapters 9-12, 14-17
Week 6 14 Sep	Real Estate Valuation <ul style="list-style-type: none"> • FRS 16 and FRS 40 • Market Approach • Cost Approach • Hedonic valuation 	Damodaran Chap 26
21 Sep	Recess Week (Mid-Term Test: Friday, 2 October at 6pm)	
Week 7 28 Sep	Equity Valuation I <ul style="list-style-type: none"> • Basic Valuation Parameters and Models for Equity • Quantifying the Parameters : Discount Rates, Tim Horizon, Terminal Value, Growth, Cash Flows etc. 	Damodaran Chap 4,6-8
Week 8 5 Oct	Equity Valuation II <ul style="list-style-type: none"> • Income Approach to Valuation 	Damodaran Chap 9-16
Week 9 12 Oct	Equity Valuation III <ul style="list-style-type: none"> • Relative Valuation 	Damodaran Chap 17-20
Week 10 19 Oct	Mergers and Acquisitions <ul style="list-style-type: none"> • Theory and Types of M&A • Value Creation for M&As • Valuation of Target and Synergy 	Damodaran Chap 25

	<ul style="list-style-type: none"> • Valuation and Treatment of Goodwill (FRS 103) 	
<p>Week 11 26 Oct</p>	<p>Valuation Challenges</p> <ul style="list-style-type: none"> • Financial Service Firms • Firms with Negative or Abnormal Earnings • Young or Start-up Firms • Private Firms • Distressed Firms 	<p>Damodaran Chap 21-24, 30</p>
<p>Week 12 2 Nov</p>	<p>Impairment and Intangibles</p> <ul style="list-style-type: none"> • Types of Intangible Assets (FRS 38) • Impairment Tests under FRS 36 • Accounting Treatment for Impairments 	<p>FRS 36 and 38</p>
<p>Week 13 9 Nov</p>	<p>Final Test (13 November at 6pm)</p>	

CODE OF CONDUCT (ABSTRACT)

NUS Code of Student Conduct

As a widely respected institution of higher learning, the National University of Singapore (NUS) is dedicated to cultivating academic and personal excellence in a way that is inclusive and supportive, where communal values as well as the dignity and rights of each person are respected.

NUS students are expected to maintain and uphold the highest standards of integrity and honesty at all times, as well as embrace community standards, diversity and mutual respect for one another, both within the University and the wider Singapore community.

This Code of Student Conduct is intended to guide students' conduct in both the academic and non-academic aspects of their University life by providing an overview of the behaviour generally expected of them as members of the University community. It is meant to serve as a broad framework, and should not be treated as an exhaustive list.

In line with the above, the University expects students to uphold both the spirit and letter of this Code of Student Conduct at all times.

Academic, Professional, and Personal Integrity

The University is committed to nurturing an environment conducive for the exchange of ideas, advancement of knowledge and intellectual development. Academic honesty and integrity are essential conditions for the pursuit and acquisition of knowledge, and the University expects each student to maintain and uphold the highest standards of integrity and academic honesty at all times.

The University takes a strict view of cheating in any form, deceptive fabrication, plagiarism and violation of intellectual property and copyright laws. Any student who is found to have engaged in such misconduct will be subject to disciplinary action by the University.

It is important to note that all students share the responsibility of protecting the academic standards and reputation of the University. This responsibility can extend beyond each student's own conduct, and can include reporting incidents of suspected academic dishonesty through the appropriate channels. Students who have reasonable grounds to suspect academic dishonesty should raise their concerns directly to the relevant Head of Department, Dean of Faculty, Registrar, Vice Provost or Provost.