

SES's L.S. RAHEJA COLLEGE OF ARTS AND COMMERCE (AUTONOMOUS)



BOARD OF STUDIES: ACCOUNTANCY & FINANCE

PROGRAMME: MASTER OF COMMERCE

SEMESTER: IV

NOMENCLATURE OF THE COURSE: FINANCIAL MODELLING & VALUATION

NEP Vertical: MAJOR

Credit: 4

(As Per Choice Based Credit System (under NEP 2020) with effect from the academic year 2024-25)



Programme:	Master of Commerce
Nomenclature of the Course	Financial Modelling & Valuation
Total Marks	100 marks
Semester:	IV
Academic year	2025-26

LEARNING OBJECTIVES:

- To help the students understand the fundamentals of financial modelling, including its scope, applications, forecasting techniques, and best practices to build accurate financial statements.
- To enable students apply various business valuation techniques, such as Discounted Cash Flow (DCF), relative valuation, and asset-based models, to assess company value.
- To enable students develop advanced financial models for mergers and acquisitions (M&A), leveraged buyouts (LBO), risk assessment, and financial planning in banking and NBFCs.
- To help the students analyse the application of financial modelling in investment decisions, including equity research, bond pricing, portfolio optimization, and the integration of machine learning in valuation.

COURSE OUTCOMES:

- Students will understand the fundamentals of financial modelling, including its scope, applications, forecasting techniques, and best practices for building accurate financial statements.
- Students will apply various business valuation techniques, such as Discounted Cash Flow (DCF), relative valuation, and asset-based models, to assess company value effectively.
- Students will develop advanced financial models for mergers and acquisitions (M&A), leveraged buyouts (LBO), risk assessment, and financial planning in banking and NBFCs.
- Students will analyse the application of financial modelling in investment decisions, including equity research, bond pricing, portfolio optimization, and the use of machine learning in valuation.

Unit	Course Content	Andragogy	No of Lectures
1	Module 1: Fundamentals of Financial Modelling Introduction to Financial Modelling: Scope & Applications Excel for Financial Modelling: Functions & Tools Building Financial Statements from Scratch Forecasting Techniques & Sensitivity Analysis Common Errors and Best Practices in Financial Modelling	Classroom Teaching, Group discussion, Live case studies, Practical assignment	15

2	Module 2: Business Valuation Techniques Overview of Valuation: Importance & Approaches Discounted Cash Flow (DCF) Valuation Method Relative Valuation: Price Multiples (P/E, EV/EBITDA, P/BV) Asset-Based Valuation & Liquidation Models Valuation of Startups and High-Growth Firms	Classroom Teaching, Group discussion, Live case studies, Practical assignment	15
3	Module 3: Advanced Financial Models Merger & Acquisition (M&A) Modelling Leveraged Buyout (LBO) Modelling Real Options Valuation Risk Assessment & Scenario Planning Financial Modelling for Banking & NBFCs	Classroom Teaching, Group discussion, Live case studies, Practical assignment	15
4	Module 4: Application of Financial Modelling in Investment Decisions Equity Research & Stock Valuation Models Bond Pricing & Fixed Income Modelling Portfolio Optimisation & Risk-Return Analysis Application of Machine Learning in Valuation Case Studies on Real-World Financial Modelling	Classroom Teaching, Group discussion, Live case studies, Practical assignment	15

SUGGESTED READINGS

1. Prasanna Chandra: Financial Management (TMH),
2. I. M. Pandey – Financial Management (Vikas),
3. M. Y. Khan & P. K. Jain – Financial Management (TMH),
4. Brigham & Houston – Fundamentals of Financial Mgmt., Thomson Cengage Learning
5. Fundamentals of Financial Management – Vanhorns & Bhandari- Pearson evaluation.
6. Contemporary Financial Management – Kothari & Dutta – Machanilan India Ltd.
7. Financial Markets & Institution – Guruswamy – Thomson / Cengage Learning
8. Stephen A. Ross, Wester FIELD, Jordan – Fundamentals of Corporate Finance (Mac Graw Hill)
9. Vanhorne & Wachowicz, Fundamentals of Financial Management – Pearson
10. Damodaran, Corporate Finance – John Wiley & Co.