

INFORMATION REFERENCE

Full name of the discipline	<i>Business valuation</i>
Type of discipline	<i>Mandatory</i>
Semester	<i>8</i>
Number of ECTS credits	<i>5,0</i>
Level of higher education	<i>First (bachelor's degree)</i>
Educational programme	<i>Entrepreneurship, trade and exchange activity</i>
Language of instruction, teaching	<i>Ukrainian</i>
ESI/faculty	<i>ESI of Economics and Management</i>
Department	<i>Entrepreneurship and business-administration</i>
Name of lecturer(s)	<i>PhD in Economics, Associate Professor. Haidenko Serhii</i>
Contacts of lecturer(s)	<i>Sergiy.Gaydenko@kname.edu.ua</i>

The purpose of studying the academic discipline "Business Valuation" is the formation of theoretical and practical knowledge of business valuation in future bachelors of entrepreneurship, trade and stock exchange activities, namely: basic concepts of business as an object of valuation; valuation of enterprise cash flows; methods of approaches to business valuation; assessment of the internal and external environment; features of business diagnostics and valuation; systems for strategic measurement of business performance.

Interdisciplinary connections: MC 2 Theory and practice of law enforcement; MC 3 Practicum on information and communication technologies; MC 4 Theory of economic development; MC 5 Higher mathematics; MC 6 Training "The art of business presentation"; MC 7 Fundamentals of entrepreneurship; MC 9 Resource provision of business; MC 11 Commercial entrepreneurship; MC 17 Trade organization; MC 18 Planning and control at the enterprise; MC 19 Business analysis and statistics; MC 20 Electronic business; MC 21 International business; MC 22 Business processes in entrepreneurship; MC 23 State and municipal finance for business; MC 24 Green entrepreneurship; MC 25 Accounting and taxation of business; MC 27 Technological practice; MC 33 Business projects in entrepreneurship; MC 35 Production practice; MC 36 Business strategy; MC 37 Innovative entrepreneurship and startup project management.

Contents:

CM 1. Basic concepts of business as an object of valuation. Valuation of enterprise cash flows

The essence of valuation and its interpretation: the difference between enterprise valuation (assets, liabilities) and business valuation (profitability, strategic potential). Valuation objects: property, business lines, assets; subjects - appraisers, investors, the state. Peculiarities of valuation in Ukraine. Methodological foundations: types of value, value factors, valuation principles. Valuation of business lines and investments: business line, valuation objectives, investment projects. Cash flows and cost of capital: types of flows, discounting, methodologies. Risks and disadvantages of methods: classification, advantages and disadvantages of payback methods.

CM 2. Methodology of approaches to business valuation. Assessment of internal and external environment

Consideration of the characteristics, advantages and disadvantages of the main approaches to business valuation. Consideration of the main features of the income approach methods for assessing the value of a business. Justification of the methods of the market (comparative) approach for assessing the value of a business. Determination of the conditions of the cost (property) approach methods for assessing the value of a business. Characteristics of the components of the use of the theory of options in the practice of business valuation. Justification of the features of determining the internal capabilities of an enterprise in the process of conducting a corresponding study. Consideration of the main directions, conditions, features and principles of assessing the financial performance of an enterprise. Formation of the components and methods of studying the level of organizational culture. Determination of the features of creating groups of factors of the external, meso- and macro-environment of an enterprise.

CM 3. Features of business diagnostics and assessment. Systems of strategic measurement of business performance

Formation of the main components of the process of conducting a methodology for assessing small, medium and large businesses. Substantiation of groups of criteria (characteristics) of the strategic position of the enterprise (formation of practical skills for performing SPACE and PEST analysis). Determination of the features of the SPACE method in the calculation process using confidence intervals. Characterization of the role of the strategic measurement system in business. Features of the formation of a balanced scorecard (BSC). Characteristics of the conditions for using the developed accountability scorecard (ASC). Substantiation of the application of the business advantage model (BEM) and the McNair performance pyramid. Study of the advantages and disadvantages of using models for determining the probability of bankruptcy.

Individual task involves work on specific aspects related to the assessment of the value of the enterprise, the analysis of its financial indicators, strategic state and external environment.

The curriculum of the academic discipline provides for the implementation of the CGW, which is a mandatory component of independent work (15 hours), which meets the state standards of higher education (in particular, the competency-based approach to the training of specialists). The condition for credited work is the full completion of the task and obtaining a substantiated result, which confirms the achievement of the planned program learning outcomes (learning outcomes).

The purpose of the CGW is: to consolidate theoretical knowledge from the course and develop in students the skills of theoretical understanding and presentation of the main points of business assessment, as well as to learn to use methods and tools to assess the creation and functioning of any business in the process of performing effective entrepreneurial, trading or stock exchange activities.

Programme learning outcomes: PLO 7. Demonstrate entrepreneurship in various areas of professional activity and take responsibility for the results. PLO 12. Possess methods and tools for substantiating management decisions regarding the creation and functioning of business, trade and exchange structures. PLO 13. Use knowledge of the forms of interaction of market relations entities to ensure the activities of business, trade and exchange structures. PLO 17. Be able to solve professional tasks in organizing the activities of business, trade and exchange structures and solve problems in crisis situations, taking into account external and internal influences.

Learning outcomes:

LO 7.1 know the essence of tasks in the field of economic and social-labor relations.

LO 7.2 be able to analyze tasks in the field of economic and social-labor relations.

LO 7.3 be able to solve tasks in the field of economic and social-labor relations.

LO 12.1 know the essence of appropriate methods, tools for substantiating decisions on the creation and functioning of business, trade and exchange structures.

LO 12.2 be able to choose and use appropriate methods for substantiating decisions on the creation and functioning of business, trade and exchange structures.

LO 12.3 be able to choose and use appropriate tools for substantiating decisions on the creation and functioning of business, trade and exchange structures.

LO 13.1 know the basic conditions and components of any activity in the interaction of market relations entities.

LO 13.2 be able to effectively carry out any activity in the interaction of market relations entities.

LO 17.1 know the main essence of defining and performing professional tasks in organizing the activities of business, trade and exchange structures.

LO 17.2 be able to define and solve professional tasks in organizing the activities of business, trade and exchange structures.

Teaching methods: verbal, visual, practical (theoretical, analytical, calculation), independent work; discussion, presentation, interactive work in teams.

Methods of control and the procedure for assessing learning outcomes:

The methods of *modular control* (by content modules) are:

- oral or written survey;
- written control;
- checking tasks for independent work and stages of CGW implementation;
- testing in a virtual educational environment on the MOODLE platform

<https://dl.kname.edu.ua/course/view.php?id=2429>, Office 365, Teams;

- solving problems and practical cases.

Methods of *modular control* (by content modules):

- testing in a virtual educational environment on the MOODLE platform, Office 365, Teams.

Methods of *final semester control*: carried out in writing, using the MS Teams software product or in a virtual educational environment on the MOODLE platform, Office 365, Teams. The tickets contain three theoretical questions and a practical task (solving a problem).

Material and technical and information support:

Methodical support

ID of the distance course of the discipline in the virtual educational environment on the MOODLE platform of the KhNUMG named after O.M. Beketov
<https://dl.kname.edu.ua/course/view.php?id=2429>.

Recommended reading and information resources

1. Business Valuation: 6 Methods for Valuing a Company. – URL: <https://www.investopedia.com/terms/b/business-valuation.asp>.
2. Business Valuation: 9 Valuation Methods, Formula & How-To Guide. – URL: <https://etonvs.com/valuation/business-valuation-methods-guide/>.
3. Haidenko S.M. Chapter 9 Business valuation. Entrepreneurship, trade and stock exchange activity. textbook / edited by O.V. Dymchenko; [O.V. Dymchenko, O.D. Panova, V.V. Konenko and others]; Kharkiv. National University of Urban Economics named after O.M. Beketov. – Kharkiv : KhNUMG named after O.M. Beketov, 2022. – 432 p. – P. 202-224. – URL: <https://eprints.kname.edu.ua/62084/>.
4. Haidenko S.M., Volgina N.O., Panova O.D., Yuryeva S.Yu. Evaluation of models for predicting bankruptcy of hotel business enterprises in the context of digitalization of the economy / Scientific and practical journal "Economy and State". – No. 6. – 2022. – P. 92-100.
5. Haidenko S.M., Konenko V.V., Sokolov D.V. Analysis of the state of development of construction business enterprises in Ukraine under the influence of the COVID-19 pandemic / Scientific and practical journal "Economy and State". – No. 5. – 2022. – P. 96-104.

6. Haidenko S.M., Sokolov D.V. Substantiation of strategic planning methods in the context of improving the managerial and economic activities of a construction enterprise / Scientific and practical journal "Investments: practice and experience". – No. 11. – 2023. – P. 71-78. – URL: <https://www.nayka.com.ua/index.php/investplan/article/view/1638/1650>.

7. Haidenko S.M., Sokolov D.V. Features of the integrated assessment of the financial competitiveness of construction business enterprises in the conditions of a crisis economy / Scientific and practical journal "Investments: practice and experience". – No. 4. – 2024. – P. 135-141. – URL: <https://www.nayka.com.ua/index.php/investplan/article/view/3037/3073>.

8. Hlotova D.V. Integration of value-oriented indicators into the enterprise management system. Bulletin of the Azov State Technical University. Series: Economic Sciences. – Issue 25, 2021. – P. 33-40.

92. Key business valuation methods and formulas explained. – URL: <https://mnacommunity.com/insights/business-valuation-guide-approaches-methods-formulas/>.

10. Klymash N.I. Economic value added (EVA) and its impact on the value of the enterprise. Current problems of using the potential of the country's economy: world experience and domestic realities: materials of the IV International Scientific and Practical Conference, April 25, 2020, Dnipro. – Dnipro : PDABA, 2020. – P. 115-117.

11. Krasnokutska N.S. Business valuation: teaching aids. for students of economics. speciality / N.S. Krasnokutska, G.M. Kopteva. – Kharkiv : NTU “KhPI”, 2021. – 229 p.

12. Kryvovyazyuk I.V., Burban O.V. The economic essence of the concept of “enterprise value” and determinants of its growth. Economy and State. – 2020. – No. 10. – P. 99-104. – URL: DOI: 10.32702/2306-6806.2020.10.99.

13. Levchak I.Ya. Enterprise value as a criterion of management effectiveness. Scientific Bulletin of Uzhgorod University. Series “Economics”. – 2022. – No. 1 (42). – P. 104-108.

14. Mendrul O.G. Enterprise value management : monograph. – Kyiv : KNEU, 2020. – 272 p.

15. National Standard No. 1 General Principles of Property and Property Rights Valuation. – URL: <https://zakon.rada.gov.ua/laws/show/1440-2003-%D0%BF#Text>.

16. National Standard No. 3 Valuation of Integrated Property Complexes. – URL: <https://zakon.rada.gov.ua/laws/show/1655-2006-%D0%BF#Text>.

17. National Standard No. 4 Valuation of Intellectual Property Rights. – URL: <https://www.kmu.gov.ua/npas/93794592>.

18. Petkov S., Chyzhmar E., Zhuravlev D., Normative Assistant for Valuation of Property and Property Rights. – Kyiv : Center for Educational Literature, 2020. – 510 p.

19. Saliga K.S., Pisarenko A.A. Optimization of the capital structure of the enterprise. Investments: practice and experience. – 2021. – No. 10. – P. 27-29.

20. The Complete Guide to Business Valuation: Use Cases, Methods, Challenges & More. – URL: <https://dealroom.net/blog/guide-to-business-valuation>.

21. The Valuation Book: How to value businesses and shares – an introductory guide for investors, managers and more Paperback – October 1, 2024.

– 304 p. - URL: <https://www.amazon.com/Valuation-Book-businesses-introductory-investors/dp/0857199498#>.

22. Tsybulska E.I. Business valuation and its components: teaching manual. / E.I. Tsybulska. – Kyiv : Condor, 2020. – 364 p.

23 Vasylytsiv T.G., Ilyash O.I., Mitsenko N.G. Economics of a small business: a textbook. – Kyiv : Znannia, 2021. – 446.

24. What is Adjusted Book Value? – URL: <https://equitest.net/what-is-adjusted-book-value.html>.

25. Zakharkina L.S., Saltykova G.V., Novikov V.M. Theoretical and methodological foundations of a value-oriented approach to business management. Business Inform. – 2021. – No. 7. – P. 169-177. – URL: <https://doi.org/10.32983/2222-4459-2021-7-169-177>.

Information resources

1. Cabinet of Ministers of Ukraine : official page. – URL: www.kmu.gov.ua.

2. Digital repository of Beketov National University of Urban Economy in Kharkiv : official page. – URL: <http://eprints.kname.edu.ua>.

3. Legislation of Ukraine : official page. – URL: <https://zakon.rada.gov.ua/>.

4. Main Department of Statistics in Kharkiv Region – URL: <http://uprstat.kharkov.ukrtel.net>.

5. Ministry of Finance : official page. – URL: www.minfin.gov.ua.

6. National Institute for Strategic Studies : official page. – URL: www.niss.gov.ua.

7. Overview of Eurostat activities: official page. – URL: <https://ec.europa.eu/eurostat/about/overview>.

8. State Statistics Service of Ukraine: official page. – URL: <http://www.ukrstat.gov.ua>.

9. Verkhovna Rada of Ukraine : official page. – URL: www.rada.gov.ua.

10. Vernadsky National Library of Ukraine : official page. – URL: <http://www.nbuv.gov.ua/>.

Equipment, equipment, software products

The following application packages are available via the Internet using "cloud technologies": Moodle; Office 365; Teams; financial analysis and valuation of companies (Bloomberg Terminal, S&P Capital IQ, PitchBook, YCharts); forecasting and DCF modeling (Macabacus, Finbox, Simply Wall St); real estate and asset valuation (CoStar, Altus Group (ARGUS Enterprise)); data management and BI (Tableau / Power BI, Alteryx); risk assessment and cost of capital (Riskalyze, Damodaran Online); CRM and customer management for appraisers (Salesforce, HubSpot CRM).