



UNSW Course Outline

FINS3641 Security Analysis and Valuation - 2024

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General Course Information

Course Code : FINS3641

Year : 2024

Term : Term 2

Teaching Period : T2

Is a multi-term course? : No

Faculty : UNSW Business School

Academic Unit : School of Banking and Finance

Delivery Mode : In Person

Delivery Format : Standard

Delivery Location : Kensington

Campus : Sydney

Study Level : Undergraduate

Units of Credit : 6

Useful Links

[Handbook Class Timetable](#)

Course Details & Outcomes

Course Description

This course explores techniques, models and industry practices in equity analysis and valuation. Both quantitative and fundamental analyses are covered to illustrate the work and research behind the trade recommendation reports prepared by the financial analysts.

Course Aims

This course aims to equip students with working knowledge and hands-on experience in equity analysis and valuation. It helps students to prepare for a career in corporate research brokerage, security analysis and fund management. Students who are keen to participate in the CFA Institute Research Challenge (a UNSW recognised co-curricular activity since 2015) will find this course useful.

The pre-requisite for the course is FINS2624 Portfolio Management. Students are also expected to be familiar with financial statement analysis and reporting. The course complements other fund management courses such as FINS3640 Investment Management Modelling and FINS3623 Venture Capital, and corporate finance courses such as FINS3625 Applied Corporate Finance.

Relationship to Other Courses

The pre-requisite for the course is FINS2624 Portfolio Management. Students are also expected to be familiar with financial statement analysis and reporting. The course complements other fund management courses such as FINS3640 Investment Management Modelling and FINS3623 Venture Capital, and corporate finance courses such as FINS3625 Applied Corporate Finance.

Course Learning Outcomes

Course Learning Outcomes	Program learning outcomes
CLO1 : Implement the process of equity analysis and valuation, from understanding a company's past, then forecasting the future financials, to determining the intrinsic value and making a trade recommendation on the common stock of the company.	<ul style="list-style-type: none">• PL01 : Business Knowledge• PL02 : Problem Solving• PL03 : Business Communication
CLO2 : Produce a report on certain aspects of equity analysis and valuation of a common stock.	<ul style="list-style-type: none">• PL01 : Business Knowledge• PL02 : Problem Solving• PL03 : Business Communication• PL04 : Teamwork
CLO3 : Explain verbally the thought process involved in solving problems in equity analysis and valuation.	<ul style="list-style-type: none">• PL01 : Business Knowledge• PL02 : Problem Solving• PL03 : Business Communication

Course Learning Outcomes	Assessment Item
CLO1 : Implement the process of equity analysis and valuation, from understanding a company's past, then forecasting the future financials, to determining the intrinsic value and making a trade recommendation on the common stock of the company.	<ul style="list-style-type: none">• Quiz• Class Participation• Final Assessment
CLO2 : Produce a report on certain aspects of equity analysis and valuation of a common stock.	<ul style="list-style-type: none">• Group Assignment
CLO3 : Explain verbally the thought process involved in solving problems in equity analysis and valuation.	<ul style="list-style-type: none">• Class Participation

Learning and Teaching Technologies

Moodle - Learning Management System | Zoom

Learning and Teaching in this course

The philosophy underpinning FINS3641 is summarised by the [Guidelines on Learning that inform teaching at UNSW](#):

- Effective learning is supported when students are actively engaged in the learning process.
- Students become more engaged in the learning process if they can see the relevance of their studies to professional, disciplinary and/or personal contexts.
- Clearly articulated expectations, goals, learning outcomes, and course requirements increase student motivation and improve learning.
- Effective learning is facilitated by assessment practices and other student learning activities

that are designed to support the achievement of desired learning outcomes.

- Meaningful and timely feedback to students improves learning.

Assessments

Assessment Structure

Assessment Item	Weight	Relevant Dates	Program learning outcomes
Quiz Assessment Format: Individual	10%	Start Date: See Detailed assessment description Due Date: See Detailed assessment description	• PL01 : Business Knowledge • PL02 : Problem Solving
Class Participation Assessment Format: Individual	10%	Start Date: See Detailed assessment description Due Date: See Detailed assessment description	• PL01 : Business Knowledge • PL02 : Problem Solving • PL03 : Business Communication
Group Assignment Assessment Format: Group	30%	Start Date: See Detailed assessment description Due Date: See Detailed assessment description	• PL01 : Business Knowledge • PL02 : Problem Solving • PL03 : Business Communication • PL04 : Teamwork
Final Assessment Assessment Format: Individual	50%	Start Date: See Detailed assessment description Due Date: See Detailed assessment description	• PL01 : Business Knowledge • PL02 : Problem Solving • PL03 : Business Communication

Assessment Details

Quiz

Assessment Overview

Quiz – This assessment is designed to encourage students to revise lessons on a timely basis and provide timely feedback to improve understanding of the subject matter.

Assesses: PL01, PL02

Course Learning Outcomes

- CL01 : Implement the process of equity analysis and valuation, from understanding a company's past, then forecasting the future financials, to determining the intrinsic value and making a trade recommendation on the common stock of the company.

Detailed Assessment Description

Weight	Assessment Name	Assessment Due Date / Timing
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5%	Quiz 1	See Moodle for exact date
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Quizzes (10%)

Two in-class quizzes aim to cement understanding and provide ongoing feedback for students to assess their understanding of the course material.

Submission notes

See Detailed assessment description

Assignment submission Turnitin type

This is not a Turnitin assignment

Class Participation**Assessment Overview**

Class Participation - This assessment is designed to help students apply what they have learnt in the previous lecture(s), learn from each other, receive feedback, and prepare for the group assignment.

Assesses: PLO1, PLO2, PLO3

Course Learning Outcomes

- CLO1 : Implement the process of equity analysis and valuation, from understanding a company's past, then forecasting the future financials, to determining the intrinsic value and making a trade recommendation on the common stock of the company.
- CLO3 : Explain verbally the thought process involved in solving problems in equity analysis and valuation.

Detailed Assessment Description

Weight	Assessment Name	Assessment Due Date / Timing
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10%	Class Participation	Weeks 1-10
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Class Participation (10%)

Students are required to participate in one of the class participation sessions conducted during lectures. Active and insightful participation is expected from all students.

A set of discussion questions will be provided in advance, and students must submit a brief via Moodle prior to attending the discussion session.

These class discussions are structured to facilitate the application of knowledge gained from previous lectures and aid in preparation for the group assignment.

Submission notes

See Detailed assessment description

Assignment submission Turnitin type

This assignment is submitted through Turnitin and students do not see Turnitin similarity reports.

Group Assignment

Assessment Overview

Group Assignment – This assessment requires students to address certain aspects of equity analysis and valuation of a common stock. Students are expected to gather financial and economic data with the aid of such financial data systems as FactSet and Morningstar DatAnalysis, utilize the information to support the thought-process and communicate solution to the assignment question effectively.

Assesses: PL01, PL02, PL03

Course Learning Outcomes

- CL02 : Produce a report on certain aspects of equity analysis and valuation of a common stock.

Detailed Assessment Description

Weight	Assessment Name	Assessment Due Date / Timing
30%	Group Assignment	See Moodle for exact due date

Group Assignment (30%)

Students will be asked to prepare an investment report as a group assignment. To complete this assignment successfully, students are expected to collect financial and economic data using financial data systems like FactSet and Morningstar DatAnalysis. Furthermore, the assignment requires students to estimate the intrinsic value of the subject company based on the gathered data. The intrinsic value, coupled with comprehensive quantitative and qualitative research on the company, industry, and market, should serve as the foundation for students' trade recommendation.

Submission notes

See Detailed assessment description

Assignment submission Turnitin type

This assignment is submitted through Turnitin and students do not see Turnitin similarity reports.

Final Assessment

Assessment Overview

Final Exam - This assessment is centrally organised and held during the University exam period. It covers all the course materials provided and taught throughout the term, from introduction and cost of equity to market-based valuation.

Assesses: PLO1, PLO2

Course Learning Outcomes

- CL01 : Implement the process of equity analysis and valuation, from understanding a company's past, then forecasting the future financials, to determining the intrinsic value and making a trade recommendation on the common stock of the company.

Detailed Assessment Description

<u>Weight</u>	<u>Assessment Name</u>	<u>Assessment Due Date / Timing</u>
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50%	Final Assessment	During UNSW Final Exam Period
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Final Assessment (50%)

The final assessment will take the form of an exam, comprising multiple-choice and short-answer questions. These questions aim to evaluate students' knowledge, critical thinking skills, and written communication abilities. The exam will comprehensively cover all lecture and class discussion materials.

Submission notes

See Detailed assessment description

Assignment submission Turnitin type

This is not a Turnitin assignment

General Assessment Information

As a student at UNSW you are expected to display [academic integrity](#) in your work and interactions. Where a student breaches the [UNSW Student Code](#) with respect to academic integrity, the University may take disciplinary action under the Student Misconduct Procedure. To assure academic integrity, you may be required to demonstrate reasoning, research and the process of constructing work submitted for assessment.

To assist you in understanding what academic integrity means, and how to ensure that you do comply with the UNSW Student Code, it is strongly recommended that you complete the [Working with Academic Integrity](#) module before submitting your first assessment task. It is a free, online self-paced Moodle module that should take about one hour to complete.

Grading Basis

Standard

Requirements to pass course

In order to pass this course students must:

- Achieve a composite mark of at least 50 out of 100
- Engage actively in course learning activities and attempt all assessment requirements
- Meet any additional requirements specified in the assessment details
- Meet the specified attendance requirements of the course (see Schedule section)

Course Schedule

Teaching Week/Module	Activity Type	Content
Week 1 : 27 May - 2 June	Lecture	Course overview and organisation Introduction to Valuations Cost of Equity (COE)
	Reading	- Pinto et al. Ch 5 (main) - Damodaran Ch 7 and Ch 8 (complementary)
Week 2 : 3 June - 9 June	Lecture	Cost of Debt (COD)
	Reading	- Damodaran Ch 7 and Ch 8 (main) - Pinto et al. Ch 5 (complementary)
Week 3 : 10 June - 16 June	Lecture	Dividend Discount Model (DDM)
	Reading	- Pinto et al. Ch 7
Week 4 : 17 June - 23 June	Lecture	Free Cash Flow Measurement (FCFM)
	Reading	- Pinto et al. Ch 8
Week 5 : 24 June - 30 June	Lecture	Free Cash Flow Valuation (FCFV)
	Reading	- Pinto et al. Ch 8
Week 6 : 1 July - 7 July	Topic	Flexibility Week
	Reading	None
Week 7 : 8 July - 14 July	Lecture	Residual Income Valuation (RIV)
	Reading	- Pinto et al. Ch 10
Week 8 : 15 July - 21 July	Lecture	Financial Ratio Analysis (FRA)
	Reading	- Koller et al. Ch 4, 7 and 8
Week 9 : 22 July - 28 July	Lecture	Market-based Valuation (MBV)
	Reading	- Pinto et al. Ch 9
Week 10 : 29 July - 4 August	Lecture	Course Summary
	Reading	None

Attendance Requirements

Students are strongly encouraged to attend all classes and review lecture recordings.

Course Resources

Prescribed Resources

The website for this course is on [Moodle](#).

The prescribed textbook for this course is:

- Pinto, J.E., E. Henry, T.R. Robinson, J.D. Stowe and S.E. Wilcox, Equity Asset Valuation, CFA Investment Institute Series, 4th edition, John Wiley & Sons (ISBN 978-1-119-62810-1)

Links will be made available for students on the course Moodle page to access these textbooks via the UNSW Library.

Recommended Resources

The following textbooks are highly recommended:

- Damodaran, Aswath, 2012, Investment Valuation (University Edition), 3rd edition, John Wiley & Sons (ISBN 978-1-118-13073-5)

- Koller, T., M. Goedhart and D. Wessels, Valuation - Measuring and Managing the Value of Companies (University Edition), 5th edition, McKinsey & Company (ISBN 978-0-470-42470-4)

Course Evaluation and Development

Feedback is regularly sought from students and continual improvements are made based on this feedback. At the end of this course, you will be asked to complete the myExperience survey, which provides a key source of student evaluative feedback. Your input into this quality enhancement process is extremely valuable in assisting us to meet the needs of our students and provide an effective and enriching learning experience. The results of all surveys are carefully considered and do lead to action towards enhancing educational quality.

Staff Details

Position	Name	Email	Location	Phone	Availability	Equitable Learning Services Contact	Primary Contact
Convenor	Tat Hang Leung				TBC	No	Yes

Other Useful Information

Academic Information

COURSE POLICIES AND SUPPORT

The Business School expects that you are familiar with the contents of this course outline and the UNSW and Business School learning expectations, rules, policies and support services as listed below:

- Program Learning Outcomes
- Academic Integrity and Plagiarism
- Student Responsibilities and Conduct
- Special Consideration
- Protocol for Viewing Final Exam Scripts
- Student Learning Support Services

Further information is provided on the [key policies and support](#) page.

Students may not circulate or post online any course materials such as handouts, exams, syllabi or similar resources from their courses without the written permission of their instructor.

STUDENT LEARNING OUTCOMES

The Course Learning Outcomes (CLOs) – under the Outcomes tab – are what you should be able to demonstrate by the end of this course, if you participate fully in learning activities and successfully complete the assessment items.

CLOs also contribute to your achievement of the Program Learning Outcomes (PLOs), which are developed across the duration of a program. PLOs are, in turn, directly linked to [UNSW graduate capabilities](#). More information on Coursework PLOs is available on the [key policies and support](#) page. For PG Research PLOs, including MPDBS, please refer to the [UNSW HDR Learning Outcomes](#).

Academic Honesty and Plagiarism

As a student at UNSW you are expected to display [academic integrity](#) in your work and interactions. Where a student breaches the [UNSW Student Code](#) with respect to academic integrity, the University may take disciplinary action under the Student Misconduct Procedure. To assure academic integrity, you may be required to demonstrate reasoning, research and the process of constructing work submitted for assessment.

To assist you in understanding what academic integrity means, and how to ensure that you do comply with the UNSW Student Code, it is strongly recommended that you complete the [Working with Academic Integrity](#) module before submitting your first assessment task. It is a free, online self-paced Moodle module that should take about one hour to complete.

Submission of Assessment Tasks

SPECIAL CONSIDERATION

You can apply for special consideration when illness or other circumstances beyond your control interfere with your performance in a specific assessment task or tasks, including online exams. Students studying remotely who have exams scheduled between 10pm and 7am local time, are also able to apply for special consideration to sit a supplementary exam at a time outside of these hours.

Special consideration is primarily intended to provide you with an extra opportunity to demonstrate the level of performance of which you are capable. To apply, and for further information, see Special Consideration on the UNSW [Current Students](#) page.

Special consideration applications will be assessed centrally by the Case Review Team, who will

update the online application with the outcome and add any relevant comments. The change to the status of the application immediately sends an email to the student and to the assessor with the outcome of the application.

Please note the following:

1. Applications can only be made through Online Services in myUNSW (see the UNSW [Current Students](#) page). Applications will not be accepted by teaching staff. The lecturer-in-charge/course coordinator will be automatically notified when your application is processed.
2. Applying for special consideration does not automatically mean that you will be granted a supplementary exam or other concession.
3. If you experience illness or misadventure in the lead up to an exam or assessment, you must submit an application for special consideration, either prior to the examination taking place, or prior to the assessment submission deadline, except where illness or misadventure prevent you from doing so.
4. If your circumstances stop you from applying before your exam or assessment due date, you must apply within 3 working days of the assessment or the period covered by your supporting documentation.
5. Under the UNSW Fit To Sit/Submit rule, if you sit the exam/submit an assignment, you are declaring yourself well enough to do so and are cannot subsequently apply for special consideration.
6. If you become unwell on the day of – or during – an exam, you must stop working on your exam, advise your course coordinator or tutor and provide a medical certificate dated within 24 hours of the exam, with your special consideration application. For online exams, you must contact your course coordinator or tutor immediately via email, Moodle or chat and advise them you are unwell and submit screenshots of your conversation along with your medical certificate and application.
7. Special consideration requests do not allow the awarding of additional marks to students.

Further information on Business School policy and procedure can be found under “Special Consideration” on the [key policies and support](#) page.

LATE SUBMISSION PENALTIES

For assessments other than examinations, late submission will incur a penalty of 5% per day or part thereof (including weekends) from the due date and time. An assessment will not be accepted after 5 days (120 hours) of the original deadline unless special consideration has been approved. An assignment is considered late if the requested format, such as hard copy or electronic copy, has not been submitted on time or where the ‘wrong’ assignment has been submitted.

For assessments which account for 10% or less of the overall course grade, and where answers are immediately discussed or debriefed, the LIC may stipulate a different penalty. Details of such late penalties will be available on the course Moodle page.

FEEDBACK ON YOUR ASSESSMENT TASK PERFORMANCE

Feedback on student performance from formative and summative assessment tasks will be provided to students in a timely manner. Assessment tasks completed within the teaching period of a course, other than a final assessment, will be assessed and students provided with feedback, with or without a provisional result, within 10 working days of submission, under normal circumstances. Feedback on continuous assessment tasks (e.g. laboratory and studio-based, workplace-based, weekly quizzes) will be provided prior to the midpoint of the course.

Faculty-specific Information

PROTOCOL FOR VIEWING FINAL EXAM SCRIPTS

UNSW students have the right to view their final exam scripts, subject to a small number of very specific exemptions. The UNSW Business School has set a [protocol](#) under which students may view their final exam script. Individual schools within the Faculty may also set up additional local processes for viewing final exam scripts, so it is important that you check with your School.

If you are completing courses from the following schools, please note the additional school-specific information:

- Students in the **School of Accounting, Auditing & Taxation** who wish to view their final examination script should also refer to [this page](#).
- Students in the **School of Banking & Finance** should also refer to [this page](#).
- Students in the **School of Information Systems & Technology Management** should also refer to [this page](#).

COURSE EVALUATION AND DEVELOPMENT

Feedback is regularly sought from students and continual improvements are made based on this feedback. At the end of this course, you will be asked to complete the [myExperience survey](#), which provides a key source of student evaluative feedback. Your input into this quality enhancement process is extremely valuable in assisting us to meet the needs of our students and provide an effective and enriching learning experience. The results of all surveys are carefully considered and do lead to action towards enhancing educational quality.

QUALITY ASSURANCE

The Business School is actively monitoring student learning and quality of the student experience in all its programs. A random selection of completed assessment tasks may be used for quality assurance, such as to determine the extent to which program learning goals are being achieved. The information is required for accreditation purposes, and aggregated findings will be used to inform changes aimed at improving the quality of Business School programs. All material used for such processes will be treated as confidential.

TEACHING TIMES AND LOCATIONS

Please note that teaching times and locations are subject to change. Students are strongly advised to refer to the [Class Timetable website](#) for the most up-to-date teaching times and locations.