

FNCE 7070 — Valuation

Spring 2026 Syllabus

Mondays & Wednesdays @ 1:45PM & 3:30PM
JMHH 355

Teaching Team

Instructor

Professor Amy Huber, Ph.D., CFA

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Teaching Assistants

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Note: Please reserve email for administrative matters or questions beyond the scope of the course. All questions related to course content, including those about the Valuation Project, should be posted on the Discussion Board (refer to the “Pedagogical Support” section below).

Course Description

Valuation is part art and part science. This course focuses on the science by developing a disciplined framework for valuing companies and, in the process, helps you discover your own style of the art. You will learn to apply finance and accounting principles to real-world valuation problems and to translate analysis into sound investment judgments.

The course **welcomes students with little or no prior experience** in company valuation. It is **technical, challenging, and time intensive**. You will work extensively with financial statements, valuation models, and analytical calculations. Students who prefer to avoid accounting or quantitative analysis should consider alternative courses.

The capstone project gives you the opportunity to conduct a full valuation of a company of your choice and present your recommendation to the class. For students who engage fully, the rewards are lasting. The ability to think independently, structure complex analysis, and defend a reasoned conclusion will serve you well in investing and in any career where judgment and rigor matter.

Non-Negotiable Prerequisites

1. Introductory Corporate Finance course (FNCE 6110 or equivalent).
2. Introductory Financial Accounting course (ACCT 6110 or equivalent).
3. Working knowledge of **regression analysis** (STAT 6130 or equivalent).
4. Working knowledge of Microsoft Excel.

Course Material

Course Textbook:

Corporate Valuation: Theory, Evidence and Practice (2nd Edition), by Robert Holthausen and Mark Zmijewski, Cambridge Business Publishers.

Please purchase the **2nd edition**, which includes key updates to the U.S. tax code. The book is available through the Penn Bookstore or at this link: <https://cambridgepub.com/book/corpval2e>.

Course Website:

The Canvas link for this course is <https://canvas.upenn.edu/courses/1898591>.

This site will contain (1) the discussion board (see also “Pedagogical Support”), (2) lecture slides, (3) materials for the Valuation Project, (4) additional readings, (5) resources for exams.

Grading

Class Participation	19%
Exam I	24%
Exam II	24%
Valuation Project	33%
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Total	100%

Final grades are determined using a class-wide (i.e., across both sections) curve that respects any constraints imposed by Penn or Wharton.

This course cannot be taken as Pass/Fail.

(1) Class Participation

Attendance at the first class is mandatory for all students, including those on the waitlist.

Starting the second class, aPlus+ check-in will be available approximately 3 minutes before each class and close at the start of the class. Questions about attendance can be directed to Chase Binkley.

(1.1) Classroom Etiquette:

- Come to each class as you would to a business meeting: **punctual, prepared, and proactive**. Engage thoughtfully and be open to having your thinking challenged.
- Attend the section for which you are registered. In case of a rare conflict, you may attend another section but must notify the instructor by 10:00 AM on the day of the lecture.
- Bring your nameplate to every class.
- Bring a basic calculator to every class; you'll need one for the exam.
- Refrain from using electronic devices unless instructed otherwise. Tablets in a flat position are allowed for digital note-taking.

(2) Exams

The first exam will be administered in class on March 2 and will cover Chapters 1-6. The second exam will be administered in class on April 22 and will cover all course material, with a strong emphasis on content covered after the first exam. **Please plan to be on campus for both exams.** If your travel or interview plans conflict with the course schedule, you will need to adjust those plans or consider dropping the course now.

The exams are closed-book but a formula sheet will be provided. The formula sheet and practice questions will be posted on Canvas well in advance of each exam.

(2.1) Regrade requests

Regrades of exams will be considered when a written request has been submitted to the instructor detailing the specific nature of the request. **Requests must be submitted within 48 hours of the exam being returned.** In addition, I reserve the right to regrade the entire exam. This may result in a lower grade being assigned than originally received.

(3) Valuation Project

The capstone project for this course is a team-based valuation of a company of your choice. The project is divided into three stages to guide your progress. For each stage, your team will submit an Excel model by noon on the due dates listed in the course calendar. Late submissions will incur a penalty of **10% per calendar day**, beginning on the due date. With the third stage, each team will also submit a written report and present its valuation recommendations to the class. Complete project instructions are available on the course website.

(3.1) Team Formation

The ability to work effectively in teams is crucial for workplace success. For the Valuation Project, please form teams of 3-5 people — no exceptions. If you have six people, please split into two teams of three.

When selecting teammates, please consider the range of skills each team should bring: accounting, finance, and Excel modeling. **The most successful teams are those whose members share similar performance standards and grade expectations.**

You are strongly encouraged to form teams within your assigned section. Cross-section teams are allowed **only if all team members are able to attend either section for the final project presentation.**

(3.2) Group Grading Process

To provide effective governance and to encourage constructive teamwork, grades for the Valuation Project will be adjusted according to contributions as assessed by the other members of your team. All team members are required to provide a response to the survey question below at the end of the course. The resulting “contribution grade” will be used to adjust each team’s grade in the Valuation Project for all of its members.

Survey question to be answered by all students enrolled in the course:

Please provide an allocation out of 100% for the contribution made by the individual members of your group to the Valuation Project, including any measure of your own contribution, such that the sum totals 100%.

Each team member’s contribution grade will be assessed as the average of the percentages reported by the other members of the team. See the chart below as a sample template:

Group member name:	Howard Marks	Marie Curie	Mary O'Connor	Michael Jordan	Tom Brady	Percent allocation (out of 20%)
Howard Marks	20%	22%	22%	19%	21%	21.0%
Marie Curie	21%	18%	22%	19%	21%	20.8%
Mary O'Connor	22%	24%	20%	19%	21%	21.5%
Michael Jordan	18%	16%	18%	24%	19%	17.8%
Tom Brady	19%	20%	18%	19%	18%	19.0%
TOTAL	100%	100%	100%	100%	100%	100%

Your contribution grade is the average of the contribution allocated to you as reported by your teammates. For example, if your 4 teammates gave you contribution allocations of 21%, 22%, 19% and 21%, such as for Marie Curie above, then your average contribution grade would be 20.8%. As another example, had your teammates given you contribution allocations of 19%, 20%, 18%, and 19%, such as for Tom Brady above, then your contribution grade would be 19%.

Your contribution grade will then be used to either add to or deduct from your team’s overall grade on the Valuation Project, according to the distance of your contribution grade from the group mean, which would be 20% for teams of 5, or 25% for teams of 4. Each 1% above/below the mean will result in an addition/deduction of 1% of the Valuation Project grade. For example, if your team received 27/33 on the Valuation Project and your contribution grade is 21.5% in a team of 5, such as for Mary O’Connor above, so that you are 1.5% above the mean of 20%, then your final grade on the Valuation Project will be $101.5\% \times 27/33 = 27.4/33$.

Pedagogical Support

This course is challenging. To help you succeed, the Teaching Team has put together a suite of resources, including a discussion board, regular office hours, and multiple review sessions before each exam.

(1) Discussion Board

The course website includes a discussion board, monitored daily by the Teaching Team. **Please post all content-related questions on the discussion board rather than via email** to ensure that all students have access to the same information and to avoid duplicate responses. **Before posting a question, take a moment to review previous responses**, as your question may have already been addressed. You are encouraged to answer your classmates' questions; **bonus participation points** are awarded to students who respond to peers' inquiries.

(2) Office Hours

Host	Day	Time	Location
Professor Huber	Tuesday	3PM-4PM	SHDH 2320
TA	Tuesday	TBC	TBC & Zoom (Link on Canvas)
TA	Friday	TBC	Zoom (Link on Canvas)
Lippincott Library	M/T/W/Th	11:30AM-12:30PM	JMHH 251

(3) Review Sessions

There will be two TA-led review sessions before each exam. In addition, several of our class meetings will be reserved for questions about the Valuation Project and/or in preparation for the exams.

Academic Integrity

No member of the class may engage in or tolerate academic fraud, such as cheating, plagiarism or lying. **The Teaching Team believes strongly in giving certain liberties to students, and in return we expect honest and honorable conduct**, including compliance with the Wharton MBA Code of Ethics and the University of Pennsylvania's Code of Academic Integrity.

Examinations are to be the work of the individual student using only the material permitted during the examination. Submitted assignments should be the work of only the team members listed on the title page of the document. **Students should not in any way rely on the work of prior students or current students who are not on their team.** This prohibition extends to prior homework, cases, or projects that are directly relevant to the assignment being completed. When a project requires you to produce a forecasting/valuation model, **the use of a model not created exclusively by the students on the team for the purposes of this class is a violation of the code of academic integrity.** For all submitted assignments, students must start with an Excel spreadsheet which is at most populated with raw data. Moreover, as detailed in the Valuation Project Guidelines, **the company being valued must be one that none of the**

team members has valued before. If you have questions concerning any of the above, please see the instructor for a clarification before using any questionable material. **Violations of the above policy will result in a failing grade for the course.**

Policy on AI Tools

AI tools such as ChatGPT and other large language models can be useful for exploring ideas, checking syntax, or summarizing background information. I encourage you to use them thoughtfully as part of your learning process. **However, for the Valuation Project, the use of AI is not permitted.** This project is designed to help you and your teammates develop your own valuation techniques and exercise independent judgment, which are core goals of the course.

More broadly, please keep in mind that AI tools can make mistakes or overlook important context. A key objective of the course is to strengthen your conceptual understanding and critical thinking so that you can recognize when such errors occur and reason confidently on your own.

Questions and Feedback

Please feel free to contact any member of the Teaching Team with questions, comments, concerns, or suggestions. We are here to support your learning and ensure that the course meets your expectations. We welcome feedback at any time to help improve the course as it progresses.

Course Calendar

N.B.: Topics and dates are subject to change.

Date	Session	Topic & Project Milestones	Textbook
Jan-21	1	Introduction to Course and Valuation Process	Ch 1
Jan-26	2	Ratio and Industry Analysis	Ch 2
Jan-28	3	Free Cash Flow I	Ch 3
Jan-30		<i>Team Composition & Names of 3 Companies to Value</i>	
Feb-2	4	FCF II & Valuation Project	Ch 3
Feb-4	5	Forecasting and Financial Modeling I	Ch 4
Feb-9	6	Financial Modeling II	Ch 4
Feb-11	7	Financial Modeling III	Ch 4
Feb-13		<i>Stage 1 Model DUE</i>	
Feb-16	8	Modeling Complications	Ch 3
Feb-18	9	DCF Valuation Methods	Ch 5
Feb-23	10	Continuing Value Estimation	Ch 6
Feb-25	11	Catch-up & Review	
Mar-2	12	EXAM I (IN CLASS)	
SPRING BREAK			
Mar-16	13	CAPM	Ch 8
Mar-18	14	Cost of Equity	Ch 8
Mar-20		<i>Stage 2 Model DUE</i>	
Mar-23	15	Cost of Debt	Ch 9
Mar-25	16	Levering and Unlevering I	Chs 10, 11
Mar-30	17	Levering and Unlevering II	Chs 10, 11
Apr-1	18	Market Multiples I	Chs 13, 14
Apr-6	19	Market Multiples II	Chs 13, 14
Apr-8	20	Guest Speaker	
Apr-9		<i>Stage 3 Model & Report DUE</i>	
Apr-13	21	Valuation Project Presentations I	
Apr-15	22	Valuation Project Presentations II	
Apr-20	23	Catch-up & Review	
Apr-22	24	EXAM II (IN CLASS)	