

## **COURSE OUTLINE**

### **ACC4703/ACC3705 VALUATION**

Academic Year 2025-2026 Semester 2

National University of Singapore (NUS) Business School

#### **1. Teaching Faculty**

A/P (Educator) Stephen Lynn, Instructor

#### **Policy on online communications**

For all general administrative queries and content-related queries to the instructor, please use the “Ask Questions Here” online discussion on Canvas, and not private communication channels such as email, Canvas Inbox, or MS Teams etc. Private communications for these matters will not be responded to beyond directing you to the online discussion. For personal administrative matters such as leave requests, please use private communication channels such as email (from your official NUS student account only), Canvas Inbox or MS Teams.

#### **2. Description**

The course covers fair value measurement or similar computations to determine current values of balance-sheet items as required by IFRS as implemented in Singapore (SFRS(I)). This includes valuation of financial instruments, valuation of property, company valuation, valuation of intangibles, purchase price allocation and computing the value in use of a cash-generating unit in impairment testing of goodwill.

#### **3. Learning outcomes**

After completing this course, you should be able to:

- Value simple financial instruments including vanilla European and American options on shares, government and corporate bonds, forwards, futures, floating rate notes, vanilla fixed-to-floating interest rate swaps, and employee share options.
- Value companies using ratio-based and discounted cash flow models of both equity and enterprise value.
- Value real estate and other immovable long-lived property.
- Value intangibles and prepare a purchase price allocation
- Find the value in use of a cash-generating unit in impairment of goodwill

#### **4. Required textbook and supplies**

- A financial calculator is required for this course.
- Textbook: (required) Lynn S., 2020, Valuation for accountants, Singapore: Springer (PDF downloadable from library catalog: <https://linc.nus.edu.sg/record=b4191287>)

#### **5. Teaching and learning activities**

- Lessons will mostly consist of guided walkthroughs in class of numerical examples or exercises, with the workings posted after the last class.
- Weekly homework will typically call for current valuations based on actual live data. Typically the instructor will present his own solution, but this will be a deliberately quick and dirty attempt and will contain mistakes, possibly even deliberate ones. It forms a basis for discussion and not a model solution. Classmates are expected to be alert to point out corrections and improvements as well as to share their own work in arriving at an improved solution.

#### **6. Assessments**

	Weight (%)
Class participation	10
Midterm test	30
Relay group project	30
Final exam	30

- Class participation is based on attendance and responses to in-class exercises and homework solutions when called on in class. Class participation marks are calculated out of 10 based on a Taguchi squared-

loss function as follows:

$$10 - x^2$$

subject to a minimum of 0, where  $x$  represents the number of classes where you failed to attend, or, if you attended, you failed to respond when called on. Class participation marks are based on effort rather than correctness, and honest mistakes are not penalized. Classes missed for valid documented reasons are not counted. Valid documented reasons are illness with MC, or representing the nation or the University in an official sporting event supported by an official letter.

- The midterm test would be held in Week 8 (Wednesday 11-Mar-2026 19:00 to 21:00 hrs, venue TBA). The test is based on topics covered from Weeks 1 through 5 as well as the homework due Week 6 (which is based on the Week 5 topic). The midterm test is an e-assessment on Exemplify. The time for the test would be 2 hours. The test is closed-book (secure assessment on Exemplify). No cheat sheet is allowed. A formula sheet would be provided as part of the question paper. The format of the test is 20 multiple-choice questions worth 1 mark each, as well as a longer problem tested via 10 fill-in-the-blank questions, for a total of 30 marks. Fill-in-the-blank questions are auto-scored, so it is necessary to follow formatting instructions exactly to get marks. No appeal will be allowed if you fail to do so. A makeup midterm test would be considered only if a formal leave of absence is granted by the school covering the midterm date. If a makeup test is allowed, only one opportunity for a makeup would be provided. If this is missed for any reason whatsoever, no further makeup opportunity would be provided under any circumstances. The makeup test would be similar in scope, difficulty and format to the main test, but would be a completely different test.
- The relay project involves company valuation, where each group performs one step in a valuation sequence related to company valuation, and another group picks up the output of that step (a spreadsheet) to conduct the next step. The project would involve valuation of NTUC Fairprice as if it were a fully commercial entity. Depending on the enrolled class size, valuation of another entity may also be added. Deliverables include a spreadsheet and a presentation. Marks are assigned as 10 for the spreadsheet, 10 for the presentation, and 10 for peer evaluation (both within the group, as well as of the group by the immediately downstream group).
- The final examination would be 2 hours. The final exam is an e-assessment on Exemplify. The exam is closed-book (secure assessment on Exemplify). No cheat sheet is allowed. A formula sheet would be provided as part of the question paper. The final exam is based on topics covered from Weeks 10 through 13. The final exam would include 10 multiple-choice questions worth 1 mark each, and one or more longer problems tested via 20 fill-in-the-blank questions worth 1 mark each, for a total of 30 marks. Fill-in-the-blank questions are auto-scored, so it is necessary to follow formatting instructions exactly to get marks. No appeal will be allowed if you fail to do so.

## 7. Tentative weekly seminar schedule

This is subject to change. For the more detailed and up-to-date weekly schedule, refer to the weekly workflow in the Canvas home page for the course.

### Week Topic

- 0 (prepare before start) Present value computations
- 1 Valuation overview
- 2 Financial instruments 1: Forwards, futures, vanilla European options without dividends
- 3 Financial instruments 2: American options, options with dividends, employee share options
- 4 Financial instruments 3: Valuation of government bonds
- 5 Financial instruments 4: Risky bonds, floaters and vanilla interest rate swaps
- 6 Company valuation 1: Ratio-based valuation, DCF models and cash flow projections
- RECESS WEEK
- 7 Company valuation 2: cost of equity, cost of debt, and WACC
- 8 MIDTERM TEST
- 9 Company valuation 3: Putting it all together, WACC and EPV valuations
- 10 Property valuation
- 11 Intangibles valuation and Purchase Price Allocation (PPA) overview
- 12 PPA case study

13 Valuation of non-controlling interest (NCI) and value in use of a CGU  
READING WEEK  
FINAL EXAMINATION

END OF DOCUMENT