Business Valuation - ACCT 701/ MBA 701 Module 3 2019
Wed 6:30 pm – 10:05 pm Buchan D023

Instructor: Gnanakumar Visvanathan
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Phone: (703) 993-4236
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Email: gvisvana@gmu.edu
Office hours: Wed 5:30-6:30 and by appointment

Course Prerequisites: Enrollment in the MSA program; for MBA or other program students must have taken MBA 613 or equivalent. A strong understanding of basic principles of Financial Accounting is essential for taking this course.

Text Book

Course Materials: posted on Blackboard. Check periodically for updates.

Course Description and Objectives:
The objective of this course is to provide hands-on-experience in financial statement analysis and valuation consistent with the learning goals mentioned below. In particular, the course offers a comprehensive framework for analyzing financial statements consisting of (a) Business Strategy Analysis, (b) Accounting Analysis, (c) Financial Analysis, and (d) Prospective Analysis & Valuation. The framework would enable the students to synthesize and integrate information to make complex decisions with limited information, as well as conduct the research, competitive analysis, and environmental scanning necessary for valuation of business entities.

PROGRAM LEARNING GOALS
Professional skills: Our graduates will demonstrate professional skills necessary for success in the public accounting profession.

- **Teaming & Leading** - Our graduates will demonstrate the team leadership and interpersonal skills needed to form, lead, and work effectively in diverse organizational teams.

- **Ethics and Professional Responsibility** - Our graduates will understand the
importance of ethical conduct and the regulatory environment of accounting.

- **Professional Communications** – Our graduates will communicate effectively to professional audiences in both written and oral forms.

- **Analytical Decision Making** - Our graduates will demonstrate analytical decision-making skills.

- **Accounting Research** - Our graduates will effectively conduct and communicate accounting research

**Technical skills and knowledge:** Our graduates will demonstrate and apply technical knowledge of accounting and auditing.

**Group cases:**

- Groups will consist of about four (max 5) students.
- Selected portions of the cases may be covered in the exams and thus all cases must be read.
- The written report should include (a) an executive summary and (b) a detailed analysis of all questions assigned for each case.
- Requirements for Valuation project will be posted separately.
- All reports are due at the beginning of the class. Late submissions of case write-ups will not be accepted.
- Prior to submitting your printed report in class you should upload (one for the entire group) an electronic version through SafeAssign on Blackboard.

**Grading**

Grading Standards: Your final grade will be determined as follows.

<table>
<thead>
<tr>
<th>Component</th>
<th>Points</th>
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<tbody>
<tr>
<td>Case analysis (group)</td>
<td>3X7</td>
</tr>
<tr>
<td>Valuation project (group)</td>
<td>18</td>
</tr>
<tr>
<td>Mid-term Exam</td>
<td>24</td>
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<tr>
<td>Final Exam</td>
<td>37</td>
</tr>
<tr>
<td><strong>Total points</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Final grades will be assigned using the plus or minus designation (e.g., A, A-, B+, B, B-, C, and F). As a general guideline, the following are the cut-off points for the letter grades: A: 93%. A-: 90%. B+: 87%. B: 83%. B-: 80%. C: 73%. However, the instructor has the right to modify the cut-off points depending on class performance.

To assess the nature and extent of work contributed by each member of a group, group members will grade each other and this grade could influence your overall course grade. If there is a significant disparity among ratings assigned to a particular group member, I will compute an average of the ratings assigned by the fellow group members. This average rating will be multiplied by the points earned by the group to determine the points for that particular group member in question.
Extra Credit/Make-up/Late Submissions: There is no provision for extra credit in the class. Exams, project, and cases are the basis of grading. Exams must be taken at the appointed time. Case submissions should be made at the stated time and late submissions will be assigned zero points.

STUDENT RESPONSIBILITIES
You are expected to have read the assigned readings before responding to any posted discussion questions and attempting the related assignments. The amount of effort you put into studying the assigned materials before attempting classwork would determine the quality of your responses to questions, as well as how much you learn about the course topics. We encourage you to not only read the assigned materials but to analyze them carefully. Think about each reading from both a conceptual and a practical perspective.

Communication: Students must use their GMU email accounts to receive important University information, including messages related to this class and correspondence with the instructor. See Masonlive to obtain your personal GMU e-mail account. Mason policy requires faculty to communicate exclusively through the Mason email system. This means your instructor can respond to email from your Mason account only and cannot respond to emails you send from your personal or work email.

Email and questions posted to the discussion forums will be answered within 24 hours during the work-week (Monday through Friday) with the exception of emergencies and 48 hours over the weekend and holidays. Students who anticipate missing a deliverable due date for religious reasons should inform the instructor in advance as soon as possible. You can find the University semester schedule and religious holidays at academic calendar and religious holiday calendar.

Honor System and Code: Mason is an Honor Code university. Please see the Office for Academic Integrity for a full description of the Mason Honor Code and the honor committee process. The principle of academic integrity is taken very seriously and violations are treated gravely. Three fundamental and rather simple principles to follow at all times are that: (1) all work submitted be your own; (2) when using the work or ideas of others, including fellow students, give full credit through accurate citations; and (3) if you are uncertain about the ground rules on a particular assignment, ask for clarification.

Attached to the syllabus is the uniform set of Recommendations for Honor Code Violations for graduate programs in the School of Business adopted by the faculty in May 2012.

School of Business Standards of Behavior: The mission of the School of Business at George Mason University is to create and deliver high quality educational programs and research. Students, faculty, staff, and alumni who participate in these educational programs contribute to the well-being of society. High quality educational programs require an environment of trust and mutual respect, free expression and inquiry, and a commitment to truth, excellence, and lifelong learning. Students, program participants, faculty, staff, and
alumni accept these principles when they join the School of Business community. In doing so, they agree to abide by the following standards of behavior:

- **Respect** for the rights, differences, and dignity of others
- **Honesty** and integrity in dealing with all members of the community
- **Accountability** for personal behavior

Integrity is an essential ingredient of a successful learning community. Ethical standards of behavior help promote a safe and productive community environment, and ensure every member the opportunity to pursue excellence. School of Business can and should be a living model of these behavioral standards. To this end, community members have a personal responsibility to integrate these standards into every aspect of their experience at the School of Business. Through our personal commitment to these Community Standards of Behavior, we can create an environment in which all can achieve their full potential.

**DISABILITY STATEMENT**

Students with disabilities who require special accommodation should contact the Disability Services (http://www.gmu.edu/student/drc/ or 703-993-2474) and should inform the instructor of their needs so it can be taken into consideration. Please take care of this during the first two weeks of the semester.

**DIVERSITY**

George Mason University promotes a living and learning environment for outstanding growth and productivity among its students, faculty and staff. Through its curriculum, programs, policies, procedures, services and resources, Mason strives to maintain a quality environment for work, study and personal growth. These goals apply to online learning at George Mason University equally as it does to classroom learning.

An emphasis upon diversity and inclusion throughout the campus community is essential to achieve these goals. Diversity is broadly defined to include such characteristics as, but not limited to, race, ethnicity, gender, religion, age, disability, and sexual orientation. Diversity also entails different viewpoints, philosophies, and perspectives. Attention to these aspects of diversity will help promote a culture of inclusion and belonging, and an environment where diverse opinions, backgrounds and practices have the opportunity to be voiced, heard and respected.

Notice of mandatory reporting of sexual assault, interpersonal violence, and stalking: As a faculty member, I am designated as a “Responsible Employee,” and must report all disclosures of sexual assault, interpersonal violence, and stalking to Mason’s Title IX Coordinator per University Policy 1412. You may seek assistance from Mason’s Title IX Coordinator, Jennifer Hammat, by calling 703-993-8730 or email cde@gmu.edu. If you wish to speak with someone confidentially, please contact one of Mason’s confidential resources, such as Student Support and Advocacy Center (SSAC) at 703-993-3686 or Counseling and Psychology Services (CAPS) at 703-993-2380. The 24-hour Sexual and Intimate Partner Violence Crisis Line for Mason is 703-380-1434.
RESOURCES AND SUPPORT

Course support: Preparedness is a major facilitator for a heightened learning experience in an online course. For help on Blackboard tools like Collaborate, Kaltura, Respondus Lockdown Browser and other resources, please refer to courses support or tutorials for additional information. If you encounter any difficulties accessing Blackboard or your course you can reach the Technical Help Desk at the following email: courses@gmu.edu.

Library resources: The Libraries at George Mason University strive to provide the best possible collections of research resources and scholarly materials in all formats for our users throughout the university community, supporting the University’s goals of learning, teaching, and research. The School of Business has a dedicated librarian liaison and more information is available at library resources. The University Libraries also provides resources specifically for distance students, including the ability to e-reserve materials. For more information on these services and the process to e-reserve texts, see http://library.gmu.edu/distance and http://infoguides.gmu.edu/distance_students.

Writing center: The George Mason University Writing Center is committed to supporting writers in the Mason community and offers free writing support to Mason students. You can now sign up for an Online Writing Lab (OWL) session just as you would sign up for a face-to-face session in the Writing Center, which means you set the date and time of the appointment! Learn more about the Online Writing Lab (OWL).

Student services: If you are a student with a disability and you need academic accommodations, please see me and contact the Disability Services at 993-2474. All academic accommodations must be arranged through the Disability Services. Mason offers counseling and psychological services that can provide assistance if you find yourself overwhelmed by life, want training in academic or life skills, or the like.

University policies: The University Catalog is the central resource for university policies affecting student, faculty and staff conduct in university affairs.

Information regarding weather related changes in the University’s schedule (e.g., closing or late opening) will be provided on the GMU website and via MasonAlert. Changes to schedule or deliverable due dates, if any, will be communicated via email and on Blackboard.

Mason Student privacy is governed by the Family Educational Rights and Privacy Act (FERPA) and is an essential aspect of this course.

Copyright: Any audio or visual recording of lectures, reuse or remix of course materials, or further dissemination of course content is not permitted without prior written consent of the course instructor and George Mason University unless the recording is part of an approved accommodation plan.
Disclaimer: Any changes to assignments or course schedule will be announced on Blackboard and/or via e-mail. Inability to access the course webpage or failure to read e-mails cannot be an excuse for late submissions or non-completion of assignments.
Course Schedule
Class 1: Jan 09

      2. Strategy Analysis
      3. Overview of Accounting Analysis

Reading: Chapters 1, 2 and parts of 3

Submit by email Group member names prior to Jan 16

Class 2: Jan 16

Topic: Overview of Accounting Analysis

Reading: Chapter 3 and part of 4

Class 3: Jan 23

Topic: Implementing Accounting Analysis

Reading: Chapter 4

Case #1: Harnischfeger Corporation

Class 4: Jan 30

Topic: Financial Analysis [II part of class after the midterm exam]

Reading: Chapter 5

Midterm Exam

Class 5: Feb 6

Topic: Financial Analysis; Forecasting

Reading: Chapter 5; Chapter 6

Case #2: The Home Depot, Inc.
Class 6: Feb 13

**Topic:** Prospective Analysis: Valuation Theory and Concepts

**Reading:** Chapter 7

Class 7: Feb 20

**Topic:** Prospective Analysis: Valuation Theory and Concepts
- Prospective Analysis: Valuation Implementation

**Reading:** Chapter 7 and 8

**Case #3:** *Krispy Kreme Donuts*

Class 8: Feb 27

**Topic:** Prospective Analysis: Valuation Implementation

**Reading:** Chapter 8

Overview of Chapters 9 & 10 (time permitting)

**Valuation Project Due**

**Group Evaluation forms Due**

Mar 2: (Saturday)

**Online Final Exam**
ACCT 701/MBA 701 – Spring 2019

GROUP EVALUATION

Instructions: As specified in the syllabus, a group participation evaluation is to be completed by each group member. The evaluation should be completed independently in the following manner:

1. List your group members (including yourself) in the first column.

2. Rate the participation of your group members by awarding each member some number of points between 0 and 100. For example, if you feel that all members of your group participated equally, you would give 100 points to each group member. The points should be given to your team members based upon a consideration of the following: (1) willingness and participation in carrying out assigned tasks, (2) ability of the individual to meet deadlines, (3) cooperation with other team members, (4) quality of the individual’s work, and (5) overall contribution to the projects.

3. Sign the evaluation at the bottom and return it to the instructor no later than the last class. This evaluation will be reviewed by the instructor and may affect an individual group member’s case grades. You may use the back of this form to provide any written comments related to your group evaluation (all information disclosed will be kept confidential).

Group Members and Evaluation:

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<tr>
<th>Group Member Name</th>
<th>Participation Score</th>
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Student Signature
### School of Business Recommendations for Honor Code Violations

*Adopted by the faculty in May 2012*

#### Graduate Students

<table>
<thead>
<tr>
<th>Type of Violation</th>
<th>First Offense</th>
<th>Second Offense</th>
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<tbody>
<tr>
<td>Plagiarism—failure to cite/attribute sources</td>
<td>An F in the class; multiple visits to the Writing Center required; and Academic Integrity Seminar Attendance</td>
<td>An F in the class; multiple visits to the Writing Center required; Academic Integrity Seminar Attendance; dismissal from the program; and possible suspension or expulsion</td>
</tr>
<tr>
<td>Plagiarism—representing someone else’s work as the student’s own</td>
<td>An F in the class; multiple visits to the Writing Center required; and Academic Integrity Seminar Attendance</td>
<td>An F in the class; multiple visits to the Writing Center required; Academic Integrity Seminar Attendance [at times of hearing and reenrollment if relevant]; dismissal from the program; and possible suspension or expulsion</td>
</tr>
<tr>
<td>Cheating on an assignment, homework, class participation, or minor project</td>
<td>An F in the class; and Academic Integrity Seminar Attendance</td>
<td>Expulsion</td>
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<tr>
<td>Cheating on a major project, test, or exam</td>
<td>An F in the class; Academic Integrity Seminar Attendance; and at least one semester suspension</td>
<td>Expulsion</td>
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<tr>
<td>Egregious Violation [e.g., stealing an exam; submitting coursework from another class as original work; lying to an employer about academic performance]</td>
<td>Dismissal from the program; at least one year suspension; and attendance at Academic Integrity Seminar at the time of hearing and just prior to reenrollment</td>
<td>Expulsion</td>
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