



LUDWIG-  
MAXIMILIANS-  
UNIVERSITÄT  
MÜNCHEN

MUNICH INTERNATIONAL  
SUMMER UNIVERSITY



MUNICH **MISU**<sup>LMU</sup>  
INTERNATIONAL SUMMER  
UNIVERSITY

# Financial Statement Analysis and Valuation for Mergers & Acquisitions

FAV

August 3 - 21, 2020

[www.fav-misu.de](http://www.fav-misu.de)



# Objectives

This course aims at making you familiar with firms' financial statements and financial statement analysis by enabling you to read and analyze them to your professional benefit. Hence, you will learn to consume, analyze and forecast financial statements. Adopting a user perspective, we move beyond the technical aspects of financial reporting and preparing accounts. Instead, based on these fundamentals, you are able to understand the firm's past business activities through the lens of financial statements. The course seeks to enable you to forecast a firm's future business activities and to conduct a sound fundamental equity valuation to challenge market prices of real-world companies.

Furthermore, from the perspectives of financial analysts as well as external equity investors, we will focus on the main firm value drivers as well as forecasting and equity valuation techniques in order to develop a sound understanding of a firm's profitability and growth prospects, thereby ultimately assessing firm value.

## **Further objectives of the course are:**

- To introduce students to financial reporting as the "language of business". Participants learn to analyze and interpret financial statements in order to assess the key drivers of the underlying business
- To develop a structured forecast of the key value drivers as the most important ingredient of a company's valuation. Especially important for managers, auditors, regulators, analysts and investors
- To apply the most common valuation models to challenge the current stock prices of real-world companies. Participants are able to critically assess assumptions inherent in stock prices

**Please see our website for a detailed course schedule:**

[http://www.fav-misu.de/en/content/FAV\\_program](http://www.fav-misu.de/en/content/FAV_program)

# Academic Host

Institute for Accounting, Auditing and Analysis at the Munich School of Management at Ludwig-Maximilians-Universität München

## Patronage



### **Prof. Dr. Thorsten Sellhorn**

Professor at the Institute for Accounting, Auditing and Analysis  
Munich School of Management

## Lecturer



### **Dr. Andreas Woltschläger, M.Sc., MBR**

Former research and Teaching Assistant and Doctoral Candidate

- Andreas spent a research stay at Lancaster University. He studied economics at the University Paderborn and business administration with majors in Accounting and Finance at the University of Bayreuth. He was further at the University of Lancaster as visiting scholar.
- He got practical experience at Commerzbank AG, EY, KPMG and Wincor Nixdorf AG in the areas of equity research, M&A, financial due diligence, valuation and group accounting.
- His current research interests include financial statement analysis, forecasting using machine learning techniques, corporate learning and valuation.



### **Dr. Gereon Hillert, M.Sc., MBR**

Former Research Assistant and Doctoral Candidate

- He studied business administration with majors in Accounting and Finance at Saint Mary's University Halifax, Canada, Goethe University Frankfurt, Universidad Viña del Mar, Chile and University of Bayreuth.
- Gereon got practical experience at PwC AG, KPMG and Deutsche Bank AG in the areas of capital markets, M&A, financial due diligence and financial accounting.
- His current research interests include corporate learning and operating leverage decisions as well as disclosure policy choice around M&A transactions and topic modelling using machine learning methods.

# Course Requirements

## Target Group

We offer this program for Bachelor students from all faculties and young professionals with an interest in financial statement analysis and valuation.

Prerequisites for participation are a good command of written and spoken English. Lectures, presentations and examinations will be held in English. Even though we do not require students to submit language test results, we urge students with poor language skills to abstain from applying. Knowledge of German is not a prerequisite.

## Literature

- Hillert, Woltschläger, Pre-course reading guide 2018

### **This course draws heavily on:**

- Lundholm/Sloan, Equity Valuation and Analysis (with eVal), 3rd edition, McGraw-Hill/Irwin 2013, ISBN: 978-0-07-352689-8. Library shelf mark: 0050/QK 620 L962(3). [Abbreviated LS]

### **Other Textbooks:**

- Penman, Accounting for Value, Columbia Business Press 2011
- Penman, Financial Statement Analysis and Security Valuation, 5th edition, Mcgraw-Hill Publ.Comp. 2013
- Harrison, W.T., C.T. Horngren, C.W. Thomas, and T. Suwardy, Financial Accounting – International Financial Reporting Standards, 9th ed., Pearson 2014. [Harrison et al., 2014]
- Berk and DeMarzo (2014)

# Credits

The Academic Board of the LMU Munich defines the requirements and contact hours\* for successful completion of the courses as follows:

- regular attendance (6 lessons max. absence)
- preparation for and active participation in seminars
- attendance and contribution to lectures
- participation in and contribution to class excursions
- self-study and homework assignments
- written assignments
- presentations

**Contact Hours\*:** 60 contact/class hours\* worth up to 6 ECTS credits

\* One contact/class hour comprises 45 minutes.

## Credit Transfer

Most international colleges and universities accept credits from the MISU LMU. However, each institution has its own policy regarding credit acceptance from other institutions. We strongly recommend that students consult their academic adviser and/or professor to receive credit transfer approval before applying to the MISU Summer Academy. Students who would like to transfer credits to their home universities should print out all documents contact the professor or study abroad adviser and ask for credit and grade approval.

## European Credit Transfer system (ECTS) and ECTS Credits

The ECTS was developed in order to provide common procedures that may guarantee academic recognition for studies abroad. ECTS credits are based on the workload students need in order to achieve expected learning outcomes. The ECTS (European Credit Transfer and Accumulation System) is a standard for comparing the academic level and performance of students in Higher Education across the European Union.

Students will be awarded 1 ECTS credit for 30 hours of work, including attending classes, self-study, examinations and essays. The following chart provides grading information:

# Grading

## Grading Scale

Grades are defined by the Academic Board according to the general grading system of the LMU. Please note that extra credit is not available for this course.

- 1,00 – 1,50 = very good (sehr gut)
- 1,51 – 2,50 = good (gut)
- 2,51 – 3,50 = satisfactory (befriedigend)
- 3,51 – 4,00 = sufficient (ausreichend)
- 4,00 deficient (mangelhaft)

Passing grades are 1,00 to 4,00.

LMU Grade	Description	Grade ECTS	US	US	Percentage
1.0	excellent	A	A+	4,0	100 – 97
1.0	very good	A	A	3,9	96 – 93
1,3	very good	A	A-	3,7	92 – 90
1.7	good	B	B+	3,5	89 – 87
2.0		B	B	3,3	86 – 83
2.3		B	B-	3,0	82 – 80
2.7	satisfactory	C	C+	2,7	79 – 77
3.0		C	C	2,3	76 – 73
3.3		D	C-	2,0	72 – 70
3.7	sufficient	E	D+	1,3	69 – 67
4.0		E	D	1,0	66 – 60
> 4.0	insufficient	F	E	0,0	59 – 0
NG	not graded	F		0,0	0

## Grading Procedure

**There are three grading sections in this course:**

60% = Written Exam

30% = Oral presentation, homework assignments

10% = Active participation in class and soft skills

## Transcripts

Every student will receive an official transcript after the successful completion of all program requirements. The transcript will show the course name and contact hours, the number of acquired credits as well as the achieved grades.

# Registration

The selection of participants will be done continuously. The registration takes place on the 'first come, first serve'- principle, given that the application meets the requirements of the program.

In the interest of maintaining the program's high standards, the number of participants will be limited to 30. The application is based on a first come first served basis. The number of students from one university is limited to 4 to ensure an international character of the program.

**The online registration has been running since November 1, 2019.**

[http://www.fav-misu.de/en/content/FAV\\_Registration](http://www.fav-misu.de/en/content/FAV_Registration)

## **Application materials for the FAV program:**

- Curriculum vitae (CV): you may use the Euro Pass format if you do not have your own form: <http://europass.cedefop.europa.eu>
- Statement of motivation: Applicants should write a short statement of no more than one typed page in English as to why they wish to take part in the summer program.

## **Deadlines for application**

- **Early bird application deadline:** February 1, 2020, 11:59 am CEST (noon)
- **Regular application deadline:** July 15, 2020, 11:59 am CEST (noon)

# Fees & Payment

**Early bird registration fee:** € 100.00

**Regular registration fee:** € 300.00

**Tuition:** € 700.00

## The complete payment includes the following:

- academic program (60 contact hours online, 6 ECTS credits)
- course reading materials

## Deadlines for payment

- **Early bird payment deadline:** immediately after receiving the e-mail with the admission letter (PDF), February 7, 2020 at the very latest.
- **Regular registration fee and tuition payment deadline:** immediately after receiving the e-mail with the admission letter (PDF), April 10, 2020 at the very latest.
- **Please note:** Your place in the program is only secured if you transfer the registration fee and tuition to our account via money-wire transfer on time. Make sure that your bank will not deduct additional costs for the transfer. All bank fees have to be paid by you. Please ask the bank in your home country for assistance.
- Please include your full name and the abbreviation of your program (FAV) on the money-wire transfer payment. Your name has to be clearly identifiable.

# Fees & Payment

## **Cancellation\*:**

### **Cancellation before the registration deadline:**

The registration fee will not be refunded.

All other deposits will be fully refunded.

### **Cancellation 4 weeks before commencement of the course:**

The registration fee will not be refunded.

50% of the tuition will not be refunded.

### **Cancellation 7 days before commencement of the course:**

The registration fee will not be refunded.

80% of the tuition will not be refunded.

\* All bank charges are excluded from repayment.

# Contact

## Academic Contact

### **Dr. Andreas Woltschläger, M.Sc., MBR**

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## Administration / Application Contact

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