

## MBA415: BUSINESS VALUATION AND RISK MANAGEMENT

Teaching Scheme	Examination Scheme
Lectures: 4 hrs./Week Tutorials: 1 hrs./Week  Credits: 4	Class Test -12 Marks Teachers Assessment – 6 Marks Attendance – 12 Marks End Semester Exam – 70 Marks

### Course Objectives:

- 1- Demonstrate a working knowledge of the procedure associated with risk management.
- 2- Ability to use standard concepts of risk and insurance to perform risk management review for individuals and organizations.
- 3- Understanding valuation process and learning to apply valuation techniques.
- 4- Learning various advance issues in valuation process.

**Unit 1(10 Hours):** Introduction to Risk, Meaning of Risk and Uncertainty, loss, perils, hazards , Types of Risks , Financial and Non-Financial Risks, Individual and Group Risks, Pure and Speculative Risk, Static and Dynamic Risk, Quantifiable and non-quantifiable risk ,Risks for Financial Institutions ,Classifying Pure risks.


**Unit 2(10 Hours):** Risk Management, Risk Management Process, Risk management objectives , Risk retention and risk transfer ,Levels of risk management , Corporate risk management , Management of risk by individuals Measures of Risk – Mathematical, Subjective


**Unit 3(10 Hours):** Overview-Context of business valuation-Approaches to Valuation-Features of the valuation process: Book value approach, Stock and debt approach, discounted cash flow approach, Relative valuation approach, option valuation approach-Features of the valuation process-buisness valuation in practice.


**Unit 4(10 Hours):** Advanced issues in valuation-Valuation of companies of different kinds-valuation in different contexts-Loose ends of valuation-Valuation of intangible assets: Patents, trademarks, copyrights and licenses; Franchises; Brands

### Suggested Reading:

- P.K. Gupta Essentials of Insurance and Risk Management Himalaya 2016 / 1st 2 S. Arunajatesan& T. R. Viswanathan
- Risk Management and Insurance Trinity Press 2015 /2nd 3 Scott E Harrington, Gregory R. Niehaus Risk Management and Insurance McGraw Hill 2003 / 2<sup>nd</sup>
- Business Valuation: A Guide for Managers and Investors, Philip R Daves, Michael C. Ehrhardt, and Ron E. Shrieves, , Cengage Learning,2003
- Business Valuation Financial Times, David Frykman, Jakob Tolleryd, Prentice Hall, 2003.

  
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