



SYLLABUS

Academic year 2024-2025

1. Information regarding the programme

1.1. Higher education institution	Universitatea Babeş-Bolyai
1.2. Faculty	Faculty of Business
1.3. Department	Business
1.4. Field of study	Business Administration
1.5. Study cycle	Master
1.6. Study programme / Qualification	International Business Administration (English)

2. Information regarding the course

2.1. Name of the lecture	Business Valuation and Fintech						
2.2. Code	IME0072						
2.3. Course coordinator	Assoc.prof. Florin Marius POP, PhD						
2.4. Seminar coordinator	Assoc.prof. Florin Marius Pop, PhD						
2.5. Year of study	2	2.6. Semester	3	2.7. Type of evaluation	E	2.8. Type of course	compulsory

3. Total estimated time (hours/semester of didactic activities)

3.1. Hours per week	3	Of which: 3.2. lecture	1	3.3 seminar/laboratory	2
3.4. Total hours in the curriculum	42	Of which: 3.5. lecture	14	3.6. seminar/laboratory	28
Time allotment:					hours
Learning using manual, course support, bibliography, course notes					28
Additional documentation (in libraries, on electronic platforms, field documentation)					28
Preparation for seminars/labs, homework, papers, portfolios and essays					28
Tutorship					2
Evaluations					4
Other activities:					18
3.7. Total individual study hours					108
3.8. Total hours per semester					150
3.9. Number of ECTS credits					6

4. Prerequisites (if necessary)

4.1. curriculum	
4.2. competencies	



5. Conditions (if necessary)

5.1. for the lecture	classroom with computer and projector;
5.2. for the seminar /lab activities	classroom with computer and projector;



6. Specific competencies acquired

Professional competencies	<ul style="list-style-type: none"> • C1 - in-depth knowledge and systematic use of the set of information resulting from the theoretical, methodological, legislative, and practical developments specific to business administration at international level • C2 - higher ability to substantiate and assess strategies and decision alternatives, as well as their selection and implementation in business administration at international level/ within multinational corporations
Transversal competencies	<ul style="list-style-type: none"> • CT1. Promoting the principles, norms and values of professional ethics in conditions of professional autonomy and independence. • CT3 - drawing up analysis and synthesis documents on the international business environment and identifying the opportunities to relaunch a business internationally

7. Objectives of the course (outcome of the acquired competencies)

7.1. General objective of the course	<p>1. Understanding Business Valuation Concepts:</p> <ul style="list-style-type: none"> • Provide students with a comprehensive understanding of various business valuation methods, including financial, market, and asset-based approaches. • Enable students to evaluate the strengths and limitations of different valuation techniques in different business contexts. <p>2. Exploring Fintech Landscape:</p> <ul style="list-style-type: none"> • Familiarize students with the evolution and current trends in fintech, including blockchain technology, digital currencies, peer-to-peer lending, and robo-advisors. • Analyze the impact of fintech on traditional financial services and businesses.
7.2. Specific objective of the course	<p>1. Valuation Techniques: Teach students how to apply different valuation techniques for startups, fast growing companies (unlisted) and listed companies.</p> <p>2. Fintech Applications: Introduce students to various fintech applications, such as mobile payments, crowdfunding platforms, and other fintech solutions.</p> <p>3. Risk Assessment: Explore methods for assessing and incorporating risks into business valuations, including industry risks, market risks, and macroeconomic factors. Discuss how fintech innovations can mitigate</p>



	<p>or exacerbate certain risks in financial transactions.</p> <p>4.Valuation in Fintech Startups: Examine unique challenges and strategies for valuing fintech startups, considering factors like rapid technological advancements and market disruptions.</p> <p>5.Practical Applications: Engage students in hands-on projects where they apply valuation methods and fintech solutions to real companies and startups. Encourage students to analyze real-world fintech case studies, understanding both successful implementations and failures.</p> <p>6.Industry Guest Lectures and Networking: Arrange guest lectures from industry experts and professionals in the fields of business valuation and fintech. Facilitate networking opportunities for students to connect with professionals, fostering a bridge between academia and industry.</p>
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8. Content

8.1. Course	Teaching Method	Remarks
INTRODUCTION TO BUSINESS VALUATION		
1. The importante and scope of business valuation. Type of business valuations based on business maturity, context, and industry.		1. Explain the nature and purpose of business valuation process (why, when, who, how) 2. Importance of Business Valuation: <ul style="list-style-type: none"> • <i>Role in Decision Making:</i> Explain how business valuation is essential for various decision-making processes, such as mergers and acquisitions, investments, financial reporting, and strategic planning.



			<ul style="list-style-type: none"> • Stakeholder Perspectives: Discuss how different stakeholders (investors, managers, regulators) use valuation techniques to assess the worth of a business entity. • 3. Scope of Business Valuation: • Types of Businesses: Explain that business valuation applies to various types of businesses, including startups, established companies, and publicly traded corporations. • Industries and Sectors: valuation methods can vary based on the industry, emphasizing the need for industry-specific knowledge. 1. Ethical and Legal Considerations in Business Valuation
METHODS OF BUSINESS VALUATION			
2.	Basic Valuation Concepts & Methods of Business Valuation		1. Basic Valuation Concepts <i>Intrinsic vs. Market Value:</i> Learning the difference between intrinsic (fundamental) value and market value. Discuss factors that influence each type of valuation. <i>Time Value of Money:</i> Introducing the concept of time value of money and its significance in valuation, including present value, future value, and discounting techniques.



			<p><i>Risk and Return:</i> Discuss the relationship between risk and return in business valuation. Explaining how risk influences the valuation process and decisions.</p> <p>2.Methods of Business Valuation</p> <p><i>Introduction to Valuation Approaches:</i> overview of the three main approaches to valuation: income approach, market approach, and asset-based approach.</p> <p><i>Income Approach:</i> Explaining the discounted cash flow (DCF) method, emphasizing its use in estimating the present value of future cash flows.</p> <p><i>Market Approach:</i> Introducing methods like comparable company analysis (CCA) and precedent transactions to determine the value based on market prices and multiples.</p> <p><i>Asset-Based Approach:</i> Presenting the book value and liquidation value methods, highlighting scenarios where these methods are applicable.</p>
VALUATION METHODS FOR STARTUPS			
3.	<p>Life cycle of a startup. From idea to business, The evolution of a startup from idea to a fully operational business typically involves several distinct stages.</p>		<p>1. Idea Generation and Validation: In this initial phase, entrepreneurs brainstorm and research potential business ideas. Idea validation by conducting market research, talking to potential customers, and</p>



			<p>assessing the feasibility of the concept.</p> <p>2. Market Research and Planning: Once the idea is validated, entrepreneurs conduct in-depth market research to understand the target audience, market demand, and competition. A detailed business plan is created, outlining the startup's mission, vision, target market, revenue model, and marketing strategy.</p> <p>3. Product Development and Prototyping: During this stage, the startup develops a prototype or minimum viable product (MVP). The MVP is a basic version of the product or service that allows the startup to test its core functionalities and gather feedback from early adopters.</p> <p>4. Funding and Seed Capital: Startups require funding to scale their operations. Entrepreneurs seek seed capital from various sources such as angel investors, venture capitalists, or crowdfunding platforms. This funding is crucial for product refinement, marketing, and initial market penetration.</p> <p>5. Launch and Initial Traction: The startup officially launches its product or service in the market. Marketing and sales efforts are</p>
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			<p>intensified to attract early customers. The focus is on gaining traction, acquiring users, and getting feedback to further improve the offering.</p> <p>6. Growth and Scaling: This stage involves expanding the customer reach, optimizing operations, and scaling up production or service delivery. Additional funding might be secured to support rapid growth.</p> <p>7. Maturity and Diversification: At this stage, the startup has established itself in the market and achieved a stable level of growth. It might diversify its product or service offerings, enter new markets, or explore strategic partnerships.</p> <p>8. Sustainability and Long-Term Planning: Successful startups evolve into sustainable businesses. They focus on long-term planning, customer retention, and continuous innovation.</p> <p>9. Exit or IPO (Optional): Some startups choose to exit the market through acquisition by a larger company or by going public through an Initial Public Offering (IPO).</p>
4.	Startup valuation methods		<p>1. Comparable Company Analysis (CCA): CCA involves comparing the startup to similar</p>



			<p>companies in the industry that are already publicly traded or have recently been acquired. Key financial metrics such as revenue, growth rate, and profitability are compared to determine the startup's valuation.</p> <p>2. Precedent Transactions: Precedent transactions involve analysing the sale prices of similar startups in the past. By studying the acquisition deals of comparable companies, analysts can derive a valuation benchmark for the startup in question. This method provides insights into how investors have valued similar startups in real-world transactions.</p> <p>3. Discounted Cash Flow (DCF) Analysis: DCF analysis estimates the present value of a startup based on its future cash flows. Projections of future cash flows are discounted back to the present using a discount rate, which represents the risk associated with the investment. DCF analysis requires making assumptions about the startup's future revenue, expenses, and growth rates, making it sensitive to these inputs.</p> <p>4. Venture Capital (VC) Method: The VC method involves estimating the</p>
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			<p>startup's post-money valuation based on the investor's required rate of return and the expected exit value of the company. This method is commonly used by venture capitalists and angel investors. It considers the investor's targeted return and the startup's potential future valuation at the time of exit (usually acquisition or IPO).</p> <p>5.Scorecard Valuation Method: The scorecard method involves evaluating the startup based on various factors such as the experience of the management team, the size of the market opportunity, the competitive landscape, and the startup's stage of development.</p> <p>6. Berkus Method: The Berkus method assigns a specific dollar value to various progress points or milestones achieved by the startup, such as having a prototype, building a strong management team, securing intellectual property, or generating early revenue.</p> <p>7. The MRR (Monthly Recurring Revenue) Multiple Valuation method is a specific approach used to value subscription-based startups or businesses that generate consistent</p>
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			monthly revenue from their customers. This method is particularly popular for Software as a Service (SaaS) companies and other subscription businesses where revenue streams are predictable and recurring.
5.	<p>Startup Valuation for investors. Pitching and raising money for startups. Investment Readiness.</p>		<ol style="list-style-type: none"> 1. Why raising money for the startup? 2. Startup Road Map, funding stages and types of funding 3. When to start raising money? Key steps in the process of fundraising 4. Fundraising documents 5. Funding mechanisms 6. Valuation methods - investors considerations 7. Seeking investment 8. European Angel Investments Clubs 9. Incubator vs. Accelerator vs. Studio 10. Top Startup Accelerators, Incubators and VCs in Europe 11. Case studies
VALUATION METHODS FOR GROWING COMPANIES			
6.	<p>Introduction to valuation for Growing Companies.</p> <p>Key factors and specific considerations for growing (unlisted) companies.</p>		<p>1. Introduction to Valuation for Growing Companies: Definition of growing companies. Importance of accurate valuation for strategic decision-making and investments. Challenges specific to valuing companies in</p>



			<p>high-growth phases (such as uncertainty and changing market dynamics).</p> <p>2. Overview of Traditional Valuation Methods: Brief recap of traditional valuation methods like Comparable Company Analysis, Precedent Transactions, and Discounted Cash Flow. Limitations of traditional methods when applied to high-growth companies.</p> <p>3. Special Considerations for Growing Companies: Discussion on unique factors affecting growing companies (e.g., rapid revenue growth, market expansion, disruptive technologies). Exploration of how growth projections, scalability, and market demand influence valuations.</p>
7.	<p>Valuation Methods Tailored for Growing Companies</p>		<p>1. Valuation Methods for growing unlisted companies: MRR and SaaS Metrics: Explaining the Monthly Recurring Revenue (MRR) method, customer acquisition cost, churn rate, and Customer Lifetime Value (CLV) for subscription-based businesses.</p> <p>2. Marketplace Valuation: Discussing unique metrics for platforms and</p>



			<p>marketplaces, such as Gross Merchandise Volume (GMV) and network effects.</p> <ol style="list-style-type: none"> 3. User Base Valuation: Examining valuation methods based on the number of users, active customers, or engaged users, common in social media platforms and mobile apps. 4. Intangible Asset Valuation: Focusing on the valuation of intellectual property, patents, trademarks, and proprietary technologies that often drive growth in technology companies. 5. Case Studies and Real-Life Examples 6. Challenges and Risks in Valuing Growing Companies 7. Future Trends and Innovations in Valuation for Growing Companies.
VALUATION METHODS FOR LISTED COMPANIES			
8.	<p>Valuation Methods Listed companies key indicators</p>		<ol style="list-style-type: none"> 1. Introduction to Public Markets and Stock Valuation 2. Price-to-Earnings Ratio (P/E Ratio) Analysis 3. Dividend Discount Models (DDM) for Valuing Dividend-Paying Stocks 4. Free Cash Flow to Equity (FCFE) Models for Valuation



			<p>5. Case Studies: Valuation of Listed Companies</p> <p>6. Bucharest Stock Exchange & AERO success stories</p>
SPECIAL CONSIDERATIONS & CASES IN BUSINESS VALUATION			
9	<p>Valuation methods for different case of assestes (IPs, Intangible assets)</p> <p>Merger & Aquisitions</p>		<ul style="list-style-type: none"> • Valuation in Mergers and Acquisitions • Valuation of Intangible Assets and Intellectual Property • Valuation Challenges in Emerging Industries (e.g., Technology, Biotech) • International Business Valuation: Cross-Border Considerations • Valuation Software and Tools • Real-life Business Valuation Projects and Assignments • Guest Lectures from Industry Experts (Valuation Professionals, Investment Bankers)
FINTECH STARTUPS: INNOVATION AND ENTREPRENEURSHIP			
10	<p>Fintech ideation and market reserch</p>		<ul style="list-style-type: none"> • Introduction to Fintech and Startup Ecosystem • Definition and Scope of Fintech • Evolution of Fintech: From Traditional Banking to Digital Disruption • Fintech Landscape: Key Players and Segments • Understanding Startup Ecosystem: Incubators,



			<p>Accelerators, and Funding Sources</p> <ul style="list-style-type: none"> • Ideation and Market Research • Ideation Techniques for Fintech Startups • Market Research and Identifying Target Audience • Competitive Analysis and SWOT Analysis • Regulatory Environment: Compliance and Legal Considerations
11	<p>Business Models and value proposition & Tehnology in Fintech</p>		<p>1.Business Models and Value Proposition</p> <p>Fintech Business Models: B2B, B2C, P2P, etc. Creating a Unique Value Proposition Revenue Streams and Monetization Strategies MVP Development: Lean Startup Principles</p> <p>2.Technology in Fintech</p> <p>Blockchain and Cryptocurrencies Artificial Intelligence and Machine Learning in Fintech Cybersecurity and Data Privacy in Fintech API Integration and Open Banking</p>
12	<p>Funding, Scaling, and Risk Management in Fintech</p> <p>Fintech Valuation</p>		<p>1.Funding, Scaling, and Risk Management</p> <ul style="list-style-type: none"> • Funding Options: Venture Capital,



			<p>Angel Investors, Crowdfunding, ICOs</p> <ul style="list-style-type: none">• Scaling Strategies for Fintech Startups• Managing Risks in Fintech: Fraud, Compliance, and Operational Risks• Exit Strategies: Mergers, Acquisitions, IPOs <p>2.Assessment and Evaluation:</p> <ul style="list-style-type: none">• Assignments and Quizzes assessing understanding of concepts• Group Projects: Developing a Fintech Startup Business Plan• Case Study Analysis: Analyzing Successful and Failed Fintech Ventures <p>3.Ethical Considerations in Fintech:</p> <ul style="list-style-type: none">• Fair Lending, Data Privacy, Bias• Social Impact of Fintech: Financial Inclusion, Poverty Alleviation• Responsible Fintech Practices: Sustainability and Corporate Social Responsibility• Future Trends and Emerging
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			Technologies in Fintech
Bibliography	<ol style="list-style-type: none">1. Venture Deals: "Be Smarter Than Your Lawyer and Venture Capitalist" by Brad Feld and Jason Mendelson,2. Angel: "How to Invest in Technology Startups" by Jason Calacanis3. "The Art of Startup Fundraising" by Alejandro Cremades4. "Term Sheets & Valuations: A Line by Line Look at the Intricacies of Venture Capital Term Sheets & Valuations" by Alex Wilmerding5. "Valuation: Measuring and Managing the Value of Companies" by McKinsey & Company Inc. and Tim Koller6. "The Lean Startup: How Today's Entrepreneurs Use Continuous Innovation to Create Radically Successful Businesses" by Eric Ries7. "Startup Boards: Getting the Most Out of Your Board of Directors" by Brad Feld and Mahendra Ramsinghani8. "The Essays of Warren Buffett: Lessons for Corporate America", Warren E. Buffett, Lawrence A. Cunningham The Cunningham Group & Carolina Academic Press; Fourth edition, 20159. "Principles of Private Firm Valuation, Wiley"; Stanley J., Feldman, 1 edition, 200510. "The Richest Man in Babylon," George S. Clason, Publisher: Berkley Revised edition, 200211. "Venture Capital Valuation: Case Studies and Methodology" by Lorenzo Carver12. "Everything You Need to Know to Value Your Startup" by Tyler J. Smith, The Startup Valuation Bible13. "Financial Statement Analysis and Security Valuation" by Stephen H. Penman14. "The Innovator's Dilemma: When New Technologies Cause Great Firms to Fail" by Clayton M. Christensen15. "Fintech: The Beginner's Guide to Financial Technology" by Matthew Driver16. "Fintech Innovation: From Robo-Advisors to Goal Based Investing and Gamification" by Paolo Sironi17. "The Fintech Book: The Financial Technology Handbook for Investors, Entrepreneurs, and Visionaries" edited by Susanne Chishti and Janos Barberis.18. "Valuation: Measuring and Managing the Value of Companies"		



	<p>by McKinsey & Company Inc. and Tim Koller 19. "Security Analysis" by Benjamin Graham and David Dodd 20. "The Little Book That Still Beats the Market" by Joel Greenblatt</p>
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8.2. Seminar/laboratory		Teaching Method	Remarks
1.	INTRODUCTION TO BUSINESS VALUATION	interactive discussion, applications, case studies	1 seminar
2.	METHODS OF BUSINESS VALUATION	interactive discussion, applications, case studies	1 seminar
3.	VALUATION METHODS FOR STARTUPS	interactive discussion, applications, case studies	3 seminars
4.	VALUATION METHODS FOR GROWING COMPANIES	interactive discussion, applications, case studies	2 seminars
5.	VALUATION METHODS FOR LISTED COMPANIES	interactive discussion, applications, case studies	1 seminar
6.	SPECIAL CONSIDERATIONS & CASES IN BUSINESS VALUATION	interactive discussion, applications, case studies	1 seminar
7.	FINTECH STARTUPS: INNOVATION AND ENTREPRENEURSHIP	interactive discussion, applications, case studies	3 seminars

Bibliography	<ol style="list-style-type: none"> 1. Venture Deals: "Be Smarter Than Your Lawyer and Venture Capitalist" by Brad Feld and Jason Mendelson, 2. Angel: "How to Invest in Technology Startups" by Jason Calacanis 3. "The Art of Startup Fundraising" by Alejandro Cremades 4. "Term Sheets & Valuations: A Line by Line Look at the Intricacies of Venture Capital Term Sheets & Valuations" by
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Alex Wilmerding

5. "Valuation: Measuring and Managing the Value of Companies" by McKinsey & Company Inc. and Tim Koller
6. "The Lean Startup: How Today's Entrepreneurs Use Continuous Innovation to Create Radically Successful Businesses" by Eric Ries
7. "Startup Boards: Getting the Most Out of Your Board of Directors" by Brad Feld and Mahendra Ramsinghani
8. "*The Essays of Warren Buffett: Lessons for Corporate America*", Warren E. Buffett, Lawrence A. Cunningham The Cunningham Group & Carolina Academic Press; Fourth edition, 2015
9. "*Principles of Private Firm Valuation*, Wiley"; Stanley J., Feldman, 1 edition, 2005
10. "*The Richest Man in Babylon*," George S. Clason, Publisher: Berkley Revised edition, 2002
11. "Venture Capital Valuation: Case Studies and Methodology" by Lorenzo Carver
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17. "The Fintech Book: The Financial Technology Handbook for Investors, Entrepreneurs, and Visionaries" edited by Susanne Chishti and Janos Barberis.
18. "Valuation: Measuring and Managing the Value of Companies" by McKinsey & Company Inc. and Tim Koller
19. "Security Analysis" by Benjamin Graham and David Dodd
20. "The Little Book That Still Beats the Market" by Joel Greenblatt

9. Corroborating the content of the course with the expectations of the community, professional associations and representative employers within the field of the program

- The content of the lecture is very much linked with what is being taught in other universities in Romania and around the world and in Business Schools that are accredited by the NIBS and AACSB.
- The content of the curricula has been discussed with corporate partners,



consulting companies, representatives from multinational companies but also with university colleagues from abroad.

10. Evaluation

- The same evaluation criteria hold for all exams sessions;
- In order to be able to cumulate the points obtained during the semester, it is mandatory to obtain minimum 5 (five) in the final exam.

Type of activity	Evaluation criteria	Evaluation method	Share in the grade (%)
Lecture	Written test. Applications, case studies, multiple choice questions	Final exam	70%
Seminar	Written project	Projects, reports	30%

10.1. Minimum requirements

- Knowledge of the fundamental concepts and their applications in case studies, questions;
- Basic understanding and interpretation of the financial reports and results.
- It is mandatory to get the minimum mark of 5 (five) in the written exam in order to be able to get credit for the additional points from the written project.
- The evaluation criteria stay the same for all exams (normal, resit, or scheduled at different time)

Date
02.04.2024

Course coordinator
Florin Marius Pop, PhD

Seminar coordinator
Florin Marius Pop, PhD

Date of approval
17.04.2024

Head of department
Prof. dr. Ioan Cristian CHIFU