



Activity name	Business Valuation
Activity goal	The aim of the activity is to acquaint students with the basics of determining the value of the company, while we pay more attention to the business, revenue method, which is demonstrated on a simple example.
Key words	Value, market value, price, cash flows, discount rate, case study
Time limit	35 minutes + 10 minutes for discussion for the theoretical part 35 minutes + 10 minutes for the case study
Target group	Secondary school students
Objectives and tools	A presentation in MS PowerPoint is prepared for work within the lesson, as well as an example with the textual part of the assignment in MS Word and the framework procedure outlined in MS Excel. It is the case study of the fictitious company Insareti that makes it possible to understand in a relatively simple way the definition of the company's value, the operation of the restaurant chain.
Annotation	The lecture is focused on increasing the financial literacy of high school students in the field of entrepreneurship. Emphasis is placed on the definition of the value and price of the term, while the value of the company is clearly defined using a case study. This example will allow students to understand the basics of cash flow planning, as well as understand the factors affecting the value of the business.
Methodology 	A presentation is used for teaching, which serves as a basic theoretical definition of terms and an explanation of the revenue method for an existing company. This presentation is then supplemented by an assignment, which can be published electronically or printed in paper form. This assignment is a case study that outlines the basic facts about the company and its expansion. These are supplemented by a pre-prepared table pattern of the procedure, which the students work on together with the lecturer. Students thus have the opportunity with various types of banking and non-banking products, with which we most often come into contact in practice. The seminar takes the form of an explanation and a subsequent discussion.
Theory 	Within the theoretical part of the seminar, the determination of the value of the company in the theoretical level is analyzed. The definition of cash flows and their updating to their present value is analyzed, where, in addition to current cash flows, attributes such as their growth, associated with risk, and timing are also considered. The difference between revenues and revenues, costs and expenses is defined, and the indirect method of determining cash flows is presented. As part of their update, the time value of money with a suitably selected discount rate is then analyzed.

Examples



In the case study, students analyze the case of Insareti, which operates a restaurant chain. The expansion of the network and its potential income and expenses, which students have to calculate through a prepared (online and/or printed) model, is outlined. According to the theory of cash flow calculation, the students define these flows and determine the amount of capital expenditures, the size of inventories, and, above all, the value of the company. Such a case study will enable students to understand the real business environment in relation to the value of a business.

References

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- [2.] Mařík, M. a kol. (2003). Metody oceňování podniku : Proces ocenění, základní metody a postupy. 1. vyd. Praha : Ekopress, 2003. 402 s. ISBN 80-86119-57-2
- [3.] Reilly , F. K., Brown , K. C. (2003). Investment Analysis and Portfolio Management. Ohio: Thomson South-Western. ISBN 0-324-17173-0.