

**SYLLABUS: FINANCE 4397
VALUATION ANALYSIS
STEWART**

CONSULTATION

Email: mstewart4@uh.edu

Office: Melcher Hall, room 210C

Office Hours: Immediately after class or by appointment.

Classroom: CEMO, room 105

Teaching Assistant: Guanglian Hu, email: huguanglian@gmail.com

COURSE MATERIALS

Required: > Text: Energy Finance and Economics: Analysis and Valuation, Risk Management, and the Future of Energy by Betty Simkins & Russell Simkins
> Supplemental Business Cases and Articles

COURSE DESCRIPTION

This course is the study of valuing energy companies, projects and assets. The primary objective of the course is to provide a advanced review of the Energy sector, with an emphasis on valuing and comparing industries within the sector. To do this, I have purposely designed the course to address the sector broadly and comprehensively, with the oil and gas space generally serving as an anchor by which other areas are compared. We will explore aspects of energy valuations from a variety of perspectives.

CLASS FORMAT

This course will use materials from the text and real world cases to convey the material. Each week, reading materials, with accompanying questions, along with relevant articles, will be assigned. We will discuss the key topics and materials in the case for most of the class period.

COURSE PROCEDURES

This course will be time-consuming, challenging, and fun. Unless you have the time to execute the assigned questions and prepare for each class, I recommend not taking the course.

The assigned texts readings are mostly qualitative in nature, but a large part of the class will require quantitative skills. Additional materials will supplement the text, and are meant to serve as additional background material. Because of the nature of this course (and its grading criteria), it is extremely important that you attend every class, arrive on time, and be prepared to participate. ***It is mandatory that you bring a name card to each class.***

GRADE DETERMINATION

Grades will be based on class participation, assignments, and exams.

Class Participation	20%
Class Assignments (problem sets)	25%
Mid-Term Exam	25%
Final Exam	30%

CLASS PARTICIPATION

This type of class can only be successful with participation. Class participation will count for 20% of the final grade. I will judge your performance based on the quality, and not the quantity of your comments. Because so much of the learning in this course occurs in the classroom, it is very important that you attend every class. I will randomly call on people and ask questions.

ASSIGNMENTS

For each class I will assign a section of the Text, and perhaps an article or case to read/analyze. Select questions will be assigned for completion individually, by a defined time, after class. Those will be graded as such.

Exams

Exams will be administered at a mid-point in the class, as well as at the end of the class. The materials covered in the exams will include those from the text, supplemental materials and any other areas covered during class.

ACADEMIC DISHONESTY

The University of Houston Academic Honesty Policy is strictly enforced by the C.T. Bauer College of Business. No violations of this policy will be tolerated in this course. A discussion of the policy is included in the University of Houston Student Handbook.

<http://www.uh.edu/dos.hdbk/acad/achopol.html>. Students are expected to be familiar with this policy.

ACCOMMODATIONS FOR STUDENTS WITH DISABILITIES

The C.T. Bauer College of Business would like to help students who have disabilities achieve their highest potential. To this end, in order to receive academic accommodations, students must register with the Center for Students with Disabilities (CSD) (telephone 713-743-5400), and present approved accommodation documentation to their instructors in a timely manner.

COURSE EVALUATIONS

The C.T. Bauer College of Business requires all its instructors to be evaluated by their students. The results of these evaluations are important to provide feedback to instructors on how their performance can be improved. We encourage students to provide feedback to instructors through the evaluation process.

CLASS ASSIGNMENTS

This schedule is subject to change due to the time required to complete discussions, etc. Any assignment due must be turned in by, or at, the beginning of class.

NO ASSIGNMENTS WILL BE ACCEPTED LATE OR VIA EMAIL.

WEEK 1: (1/21)	Theme	❖ Introduction to Energy & Valuations
	Discussion	❖ Orientation to class / Class Approach & Goals
WEEK 2: (1/28)	Theme	❖ Cont. Introduction to Energy & Valuations
	Pre-Reading	❖ Chap. 1 & 2 of Simkins
	Added Discussion points	❖ Additional Suggested Readings
WEEK 3: (2/4)	Theme	❖ Introduction to Relevant Valuation Techniques ❖ Energy Economics
	Pre-Reading	❖ Selected Article ❖ Chap. 3 & 4 of Simkins
	Assignment	❖ Assigned Questions
	Added Discussion points	❖ Historical Perspectives
WEEK 4: (2/11)	Theme	❖ Oil & Gas ❖ Renewables
	Pre-Reading	❖ Chap. 5 & 6 of Simkins
	Added Discussion points	❖ Recent Trends
WEEK 5: (2/18)	Theme	❖ Oil & Gas Financial Reporting
	Pre-Reading	❖ Chap. 8 & 9 of Simkins
	Assignment	❖ Assigned Questions

WEEK 6: (2/25)	Theme	❖ A&D (M&A)
	Pre-Reading	❖ Chap. 10 of Simkins
	Assignment	❖ Assigned Questions
	Added Discussion points	❖ Mid-Term Prep
WEEK 7: (3/4)	Mid-Term Exam	
WEEK 8: (3/11)	Theme	❖ Fiscal Systems ❖ Project Financing
	Pre-Reading	❖ Chap. 12 & 13 of Simkins
	Assignment	❖ Assigned Questions
	Added Discussion points	❖ Industry Specific; Additional Suggested Readings
WEEK 9: (3/18)	Theme	❖ Cont. Project Financing ❖ Introduction to Derivatives and Mkts
	Pre-Reading	❖ Chap. 14 of Simkins
	Assignment	❖ Assigned Questions
WEEK 10: (3/25)	Theme	❖ Energy Markets & Risk Assessments
	Pre-Reading	❖ Chap. 15 & 16 of Simkins
	Assignment	❖ Assigned Questions
	Added Discussion points	❖ Recent Trends
WEEK 11: (4/1)	Theme	❖ Oil & Case Study
	Pre-Reading	❖ Chap. 20 of Simkins
	Added Discussion points	❖ Industry Specific
WEEK 12: (4/8)	Theme	❖ Additional Oil & Gas Case
	Pre-Reading	❖ Chap. 22 of Simkins

WEEK 13: (4/15)	Theme	❖ Wind Energy Case
	Pre-Reading	❖ Chap. 24 of Simkins

WEEK 14: (4/22)	Theme	❖ Class Summary; Final Exam Prep
------------------------	--------------	----------------------------------

WEEK 14: (4/29)	Final Exam	
------------------------	-------------------	--

ARCHIVE