

Per the publisher's request, the full file is available after purchase.

Valuations: Businesses, Securities, and Real Estate

Valuations: Businesses, Securities, and Real Estate

Copyright © 2014 by

DELTACPE LLC

All rights reserved. No part of this course may be reproduced in any form or by any means, without permission in writing from the publisher.

The author is not engaged by this text or any accompanying lecture or electronic media in the rendering of legal, tax, accounting, or similar professional services. While the legal, tax, and accounting issues discussed in this material have been reviewed with sources believed to be reliable, concepts discussed can be affected by changes in the law or in the interpretation of such laws since this text was printed. For that reason, the accuracy and completeness of this information and the author's opinions based thereon cannot be guaranteed. In addition, state or local tax laws and procedural rules may have a material impact on the general discussion. As a result, the strategies suggested may not be suitable for every individual. Before taking any action, all references and citations should be checked and updated accordingly.

This publication is designed to provide accurate and authoritative information in regard to the subject matter covered. It is sold with the understanding that the publisher is not engaged in rendering legal, accounting, or other professional service. If legal advice or other expert advice is required, the services of a competent professional person should be sought.

—From a Declaration of Principles jointly adopted by a committee of the American Bar Association and a Committee of Publishers and Associations.

All numerical values in this course are examples subject to change. The current values may vary and may not be valid in the present economic environment.

Course Description

This course covers valuations ranging from businesses, bonds, preferred stock and common stock to real estate. Business valuation is essentially a present value concept that involves estimating future cash flows of a business and discounting them at a required rate of return. The value of a bond is essentially the present value of all future interest and principal payments. Stock price may be expressed as a function of the expected future dividends and a rate of return required by investors. The Gordon's valuation model reflects this process. Real estate valuation involved several rule-of-thumb valuation methods.

Field of Study

Specialized Knowledge

Level of Knowledge

Overview

Prerequisite

Basic Accounting and Math

Advanced Preparation

None

Table of Contents

Chapter 1: Corporate Valuations	1
Learning Objective	1
Steps in Valuation	3
Step 1: Analyze Historical Performance.....	4
Step 2: Project Future Performance	7
Step 3: Estimate the Rate of Capitalization Rate	8
Step 4: Estimate Valuation.....	9
Step 5: Compute and Interpret Results	17
Revenue Ruling 59 - 60	18
Chapter 1 Review Questions.....	27
Chapter 2: Security and Real Estate Valuation.....	30
Learning Objective	30
How to Value a Security.....	31
How to Value Bonds.....	31
How to Value Common Stock	33
How to Forecast Stock Price: A Pragmatic Approach	35
What Are The Determinants Of The Price-Earnings Ratio?	36
How to Read Beta	39
What Does It Mean When a Firm's Stock Sells on a High or Low P/E Ratio?	40
What Other Pragmatic Approaches Exist?.....	41
The Price-Sales (P/S) Ratio	41
The Price-Dividends (P/D) Ratio.....	42
The Price-Book (P/B) Ratio.....	42
What Is The Bottom Line?.....	43

How Do You Value An Income Producing Property?	43
Conclusion.....	45
Chapter 2 Review Questions.....	48
Glossary.....	50
Index.....	55
Review Question Answers	56

Per the publisher's request, the full file is available after purchase.