

## **Learning Objectives**

- Recognize the reasons for business valuations.
- Identify various business valuation methods and the different variables used for valuation purposes.
- Recognize the valuation methods used for financial securities.
- Identify the determinants of the price-earnings ratio and the definition of beta values.
- Recognize other pragmatic valuation approaches and valuation methods for an income producing property.

### **Chapter 1: Corporate Valuations**

- Steps in Valuation
  - Step 1: Analyze Historical Performance
  - Step 2: Project Future Performance
  - Step 3: Estimate the Rate of Capitalization Rate
  - Step 4: Estimate Valuation
  - Step 5: Compute and Interpret Results
- Revenue Ruling 59-60

### **Chapter 2: Security and Real Estate Valuation**

- How to Value a Security
  - How to Value Bonds
  - How to Value Common Stock
  - How to Forecast Stock Price: A Pragmatic Approach
- What Are The Determinants Of The Price-Earnings Ratio?
- How to Read Beta
  - What Does It Mean When a Firm's Stock Sells on a High or Low P/E Ratio?
- What Other Pragmatic Approaches Exist?
  - The Price-Sales (P/S) Ratio
  - The Price-Dividends (P/D) Ratio
  - The Price-Book (P/B) Ratio
- What Is The Bottom Line?
- How Do You Value An Income Producing Property?