VALUATION: LET’S CHECK YOUR PRIORS

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What is valuation?

Which of the following words best describes valuation as a discipline?

a. It is a science
b. It is an art
c. It is magic
Value versus Price

- You are looking for an apartment/house to buy and the realtor tells you that it will cost you $1 million. Did he value the house or price it?
  a. Value the house
  b. Price the house

- You are reading an equity research report on a stock. The analyst has a buy recommendation on the stock. Did she value the stock or price it?
  a. Value the stock
  b. Price the stock
How would you classify yourself?

Given your strengths and weaknesses, and your history and training, you are more of a

a. Story person
b. Numbers person

Who do you think has an easier time doing valuation?

a. Story people
b. Numbers people
What is your end game?

Why are you taking this class?

- I want to acquire the skills I need on my (expected) job
- I want to be able to understand valuation theory
- I want to understand how markets price stocks
- I want to be able to invest more sensibly
- I heard that it was not much work and an easy A.