

Valuation Bias: Tests

1. You are valuing your own business for sale to a third person. *High Low Uncertain*
2. You are a venture capitalist valuing this business for an investment. *High Low Uncertain*
3. You are valuing your own business for divorce court; half of your estimated value will go to your spouse (soon to be ex-spouse). *High Low Uncertain*
4. You are an appraiser for the owner, valuing a business for tax purposes. *High Low Uncertain*
5. You are an appraiser for the IRS, valuing the business for tax purposes. *High Low Uncertain*
6. You are a sell side equity research analyst, valuing a company with the intent of putting a buy or sell recommendation on it. *High Low Uncertain*
7. You are an M&A analyst, working for the investment banker for the acquirer in a friendly takeover, valuing the target company. *High Uncertain*
8. You are an M&A analyst, working for the investment banker for the target in a friendly takeover, valuing the target company. *High Low Uncertain*
9. You are an M&A analyst, working for the investment banker for the acquirer in a hostile takeover, valuing the target company. *High (bidder stockholders) Low (target stockholders) Uncertain*
10. You are an M&A analyst, working for the investment banker for the target in a hostile takeover, valuing the target company. *High Low Uncertain*
11. You are buy-side analyst, valuing a company for your portfolio manager, who already happens to own a million shares of its stock. *High Low Uncertain*
12. You are buy-side analyst, valuing a company for your portfolio manager, who already happens to have shorted a million shares of its stock. *High Low Uncertain*