



Valuation: It really is not rocket science

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General Information

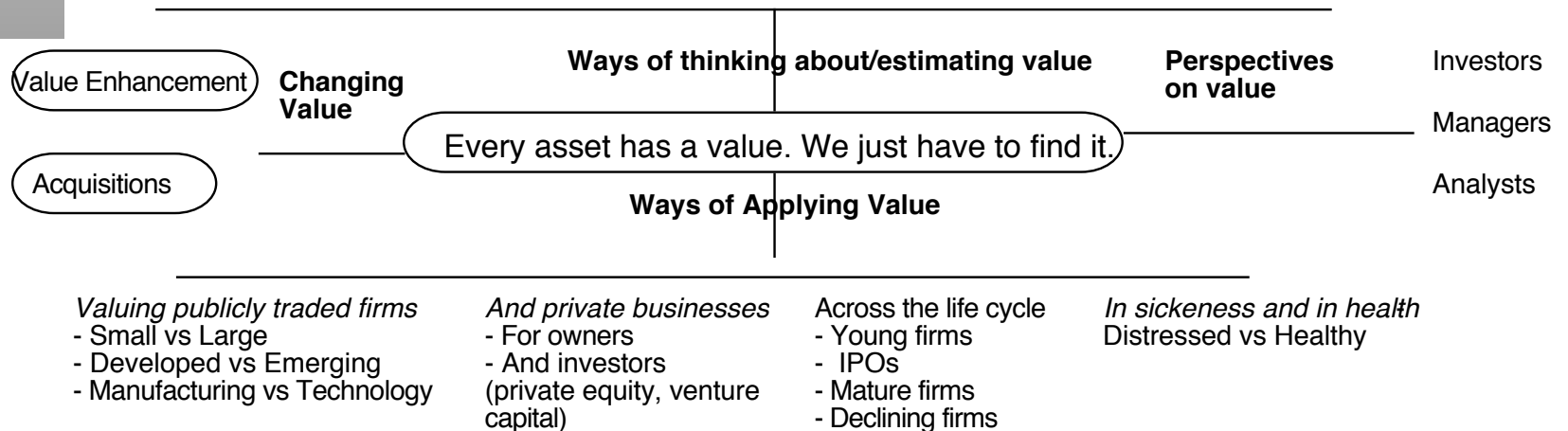
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Course Objectives

Intrinsic Value
The value of an asset is the present value of the expected cashflows

Relative Value
The value of an asset is what others are willing to pay for it (or something like it)

Contingent Value
The value of an asset may be contingent on what happens to other assets



Course Outline

Topic	Session
Introduction	1
Discounted Cashflow Valuation	2-4
Loose Ends in Valuation	4
Relative Valuation	5
Option Pricing Applications in Valuation	6

Book Chapters

Topic	Dark Side	Investment Valn (2ed)	Damodaran (2 ed)
Introduction	1-2	1-2	1
Discounted Cashflow Valuation			
1. Estimation Issues	3-5	7-12	2-4, 10, 11, 16
2. Valuation Examples	6-7	13-16, 21-23	5-6, 17
Relative Valuation	8-10	17-20	7-9
Valuing Private Firms		24	14
Option Pricing Applications	11	5, 28-30	12
Valuing Acquisitions		25	13.15
Value Enhancement Strategies	12	31-32	13
Review	13	35	18

Grading Basis

- **Project:** Each participant should value one company. The details are in the project description
 - Valuation Project **40%**
- **Individual Work:**
 - Quizzes: There will be two thirty minute quizzes, at the start of sessions 3 and 5 worth 30% each..