



VALUATION: LET'S CHECK YOUR PRIORS

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What is valuation?

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- 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?

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