

Ibbotson Associates Market Risk Premium 2014

Praise for Business Valuation and Federal Taxes Procedure, Law, and Perspective Second Edition "The Honorable David Laro and Dr. Shannon Pratt present a comprehensive primer on federal tax valuation controversies that will benefit both tax practitioners (attorneys and CPAs) and valuation practitioners. . . . It serves as a valued reference source and an introductory text for legal and valuation training."

–Roger J. Grabowski, Duff & Phelps Corp. from the Foreword

"[I]t is refreshing to see these two close observers of valuation issues collaborate on this intriguing volume. What the reader gets is something like a mural—depicting the life of a business appraisal from conception to preparation to the occasional ultimate use by a trier of fact."

–Ronald D. Aucutt, Esq. McGuireWoods LLP, from the Foreword

"This offering from Judge David Laro and Dr. Shannon Pratt fills in some persistent gaps in the business valuation literature, as well as a surprisingly fresh treatment of perennial themes."

–John A. Bogdanski, Professor of Law Lewis & Clark Law School, from the Foreword

Straightforward guidance and perspective on business valuation from two of the nation's top authorities

Written by Senior Judge David Laro and Shannon Pratt, both leading experts on the subject, Business Valuation and Federal Taxes, Second Edition provides a comprehensive overview of business valuation procedures. The new edition offers:

- Insightful perspectives of personal versus enterprise goodwill**
- New materials on transfer pricing and customs valuations and how recent markets have affected both the income and market approaches**
- Timely coverage of FAS 157 and its many changes to penalties and sanctions affecting both taxpayers and appraisers**
- Exploration of new court cases**

Presenting knowledge and guidance to those who perform valuations as well as those who are affected by them, Business Valuation and Federal Taxes, Second Edition is the essential guide to federal taxes and valuation, and specifically valuations relating to business interests. Investors have too often extrapolated from recent experience. In the 1950s, who but the most rampant optimist would have dreamt that over the next fifty years the real return on equities would be 9% per year? Yet this is what happened in the U.S. stock market. The optimists triumphed.

However, as Don Marquis observed, an optimist is someone who never had much experience. The authors of this book extend our experience across regions and across time. They present a comprehensive and consistent analysis of investment returns for equities, bonds, bills, currencies and inflation, spanning sixteen countries, from the end of the nineteenth century to the beginning of the twenty-first. This is achieved in a clear and simple way, with over 130 color diagrams that make comparison easy. Crucially, the authors analyze total returns, including reinvested income. They show that some historical indexes overstate long-term performance because they are contaminated by survivorship bias and that long-term stock returns are in most countries seriously overestimated, due to a focus on periods that with hindsight are known to have been successful. The book also provides the first comprehensive evidence on the long-term equity risk premium--the reward for bearing the risk of common stocks. The authors reveal whether the United States and United Kingdom have had unusually high stock market returns compared to other countries. The book covers the U.S., the U.K., Japan, France, Germany, Canada, Italy, Spain, Switzerland, Australia, the Netherlands, Sweden, Belgium, Ireland, Denmark, and South Africa. Triumph of the Optimists is required reading for investment professionals, financial economists, and investors. It will be the definitive reference in the field and consulted for years to come.

Praise for From Innovation to Cash Flows "Critically important topics for all entrepreneurs, new and experienced. Collaboration, intellectual property, and funding are described with depth and thoughtfulness. From Innovation to Cash Flows provides both the theoretical structure and the rich examples to serve as a great reference. Not to be missed!" –Cheryl A. Fragiadakis, Head of Technology Transfer and Intellectual Property Management, Lawrence Berkeley National Laboratory "From Innovation to Cash Flows is a unique book that covers many of the essentials to be successful as a biotechnology or high-tech entrepreneur. The combination of theory and practical examples adds direct business value. This comprehensive work will prevent any starting venture from making costly mistakes." –Jeroen Nieuwenhuis, PhD, MBA,

Corporate Entrepreneur, Magnotech Venture, Philips Healthcare Incubator "Truly exhaustive in its coverage of all the different aspects of managing high-technology innovations, this book constitutes an invaluable resource for technology entrepreneurs." –Juhana Rauramo, Partner, Bio Fund Management Ltd. "From Innovation to Cash Flows is a wellspring of insights and inspiration for anyone with a desire to start up a high-tech venture. The reader is guided step by step through the twists and turns of strategy, contract law, intellectual property rights management, and strategic partnering. A global team of experts from law, science, and business collaborated to write this book; their pooled know-how and collective experiences shine through. The result is highly recommended. Every aspiring entrepreneur with a scientific bent will want to own this book for his or her own library." –Laura Cha, Deputy Chairman, The Hongkong and Shanghai Banking Corporation Ltd. "Alliances often are a vital component of successful high-tech ventures. Through its unique blend of sound management theory and wise business and legal advice, this book shows high-tech entrepreneurs how to build innovative business models based on strategic collaboration with other firms." –Xavier Mendoza, Deputy Director General, ESADE, Ramon Llull University, and former Dean, ESADE Business School, Spain "This book is distinctive because it tells you how to turn your idea into a profitable business—a combination of savvy business advice and extensive legal documents that is original. This is a book to be read, and then revisited. You will want to come back to it time and again for references, for sample documents, and for sage advice on how to take the next step." –From the Foreword by Henry Chesbrough, Adjunct Professor and Executive Director, Center for Open Innovation, Haas School of Business, UC Berkeley, and Karl S. Pister, Dean and Roy W. Carlson Professor of Engineering Emeritus, UC Berkeley

Stocks for the Long Run set a precedent as the most complete and irrefutable case for stock market investment ever written. Now, this bible for long-term investing continues its tradition with a fourth edition featuring updated, revised, and new material that will keep you competitive in the global market and up-to-date on the latest index instruments. Wharton School professor Jeremy

Siegel provides a potent mix of new evidence, research, and analysis supporting his key strategies for amassing a solid portfolio with enhanced returns and reduced risk. In a seamless narrative that incorporates the historical record of the markets with the realities of today's investing environment, the fourth edition features: A new chapter on globalization that documents how the emerging world will soon overtake the developed world and how it impacts the global economy An extended chapter on indexing that includes fundamentally weighted indexes, which have historically offered better returns and lower volatility than their capitalization-weighted counterparts Insightful analysis on what moves the market and how little we know about the sources of big market changes A sobering look at behavioral finance and the psychological factors that can lead investors to make irrational investment decisions A major highlight of this new edition of *Stocks for the Long Run* is the chapter on global investing. With the U.S. stock market currently holding less than half of the world's equity capitalization, it's important for investors to diversify abroad. This updated edition shows you how to create an "efficient portfolio" that best balances asset allocation in domestic and foreign markets and provides thorough coverage on sector allocation across the globe. *Stocks for the Long Run* is essential reading for every investor and advisor who wants to fully understand the market-including its behavior, past trends, and future influences-in order to develop a prosperous long-term portfolio that is both safe and secure.

Entrepreneurial Finance

Private Capital Markets

Stocks, Bonds, Bills, and Inflation, Quarterly Service

Successful Strategies and the Investors Who Made Them Work Opportunities and Risks

Applied Corporate Finance, 4th Edition

Have you ever been frustrated that arbitration folk aren't more numerate? The Guide to Damages in International Arbitration is a desktop reference work for those who'd like greater confidence when dealing with the numbers. This second edition builds upon last year's by updating and adding several new chapters on the function and role of damages experts, the applicable valuation approach, country risk premium, and damages in gas and electricity arbitrations. This edition covers all aspects of damages - from the legal principles applicable, to the main valuation techniques and

their mechanics, to industry-specific questions, and topics such as tax and currency. It is designed to help all participants in the international arbitration community to discuss damages issues more effectively and communicate them better to tribunals, with the aim of producing better awards. The book is split into four parts: Part I - Legal Principles Applicable to the Award of Damages; Part II - Procedural Issues and the Use of Damages Experts; Part III - Approaches and Methods for the Assessment and Quantification of Damages; Part IV - Industry-Specific Damages Issues

A practical approach for entrepreneurs and investors Entrepreneurial Finance provides readers with the fundamental knowledge to finance, start, grow, and value new ventures, without the complex finance terms and calculations. This comprehensive yet practical approach incorporates a global perspective that appeals to entrepreneurs, investors, and students with diverse backgrounds, knowledge, and experience. From Facebook to Camera+, Gary Gibbons, Robert D. Hisrich, and Carlos M. DaSilva use real-world examples and their professional experiences to bring concepts to life. This text is one of the most readable books in the market without compromising high quality content and resources.

The Valuation Handbook - U.S. Guide to Cost of Capital, 1999 Essentials Edition includes two sets of valuation data: Data previously published in the 1999 Duff & Phelps Risk Premium Report Data previously published in the Morningstar/Ibbotson 1999 Stocks, Bonds, Bills, and Inflation (SBBI) Valuation Yearbook The Valuation Handbook - 1999 U.S. Essentials Edition includes data through December 31, 1998, and is intended to be used for 1999 valuation dates. The Valuation Handbook - U.S. Guide to Cost of Capital, Essentials Editions are designed to function as historical archives of the two sets of valuation data previously published annually in: The Morningstar/Ibbotson Stocks, Bonds, Bills, and Inflation (SBBI) Valuation Yearbook from 1999 through 2013 The Duff & Phelps Risk Premium Report from 1999 through 2013 The Duff & Phelps Valuation Handbook - U.S. Guide to Cost of Capital from 2014 The Valuation Handbook - U.S. Essentials Editions are ideal for valuation analysts needing "historical" valuation data for use in: The preparation of carve-out historical financial statements, in cases where historical goodwill impairment testing is necessary Valuing legal entities as of vintage date for tax litigation related to a prior corporate restructuring Tax litigation related to historical transfer pricing policies, etc. The Valuation Handbook - U.S. Essentials Editions are also designed to serve the needs of: Corporate finance officers for pricing or evaluating mergers and acquisitions, raising private or public equity, property taxation, and stakeholder disputes Corporate officers for the evaluation of investments for capital budgeting decisions Investment bankers for pricing public offerings, mergers and acquisitions, and private equity financing CPAs who deal with either valuation for financial reporting or client valuations issues Judges and attorneys who deal with valuation issues in mergers and acquisitions, shareholder and partner disputes, damage cases, solvency cases, bankruptcy reorganizations, property taxes,

rate setting, transfer pricing, and financial reporting For more information about Duff & Phelps valuation data resources published by Wiley, please visit www.wiley.com/go/valuationhandbooks.

What is the return to investing in the stock market? Can we predict future stock market returns? How have equities performed over the last two centuries? The authors in this volume are among the leading researchers in the study of these questions. This book draws upon their research on the stock market over the past two dozen years. It contains their major research articles on the equity risk premium and new contributions on measuring, forecasting, and timing stock market returns, together with new interpretive essays that explore critical issues and new research on the topic of stock market investing. This book is aimed at all readers interested in understanding the empirical basis for the equity risk premium. Through the analysis and interpretation of two scholars whose research contributions have been key factors in the modern debate over stock market performance, this volume engages the reader in many of the key issues of importance to investors. How large is the premium? Is history a reliable guide to predict future equity returns? Does the equity and cash flows of the market? Are global equity markets different from those in the United States? Do emerging markets offer higher or lower equity risk premia? The authors use the historical performance of the world's stock markets to address these issues.

Cost of Capital in Litigation

Applications and Models

Equity Asset Valuation

Valuation, Capitalization, and Transfer of Private Business Interests

Stocks, Bonds, Bills, and Inflation

Valuation Handbook - U.S. Guide to Cost of Capital

EVERYTHING YOU NEED FOR ACCURATE INTERNATIONAL COST OF CAPITAL ESTIMATIONS—IN A SINGLE VOLUME The 2017 Valuation Handbook – International Guide to Cost of Capital is part of the U.S. and international series of valuation resources authored by Duff & Phelps and published by John Wiley & Sons. This annually updated reference provides business valuation and finance professionals with the critical data they need to assess risk and develop cost of capital estimates on a global scale. Gauging the risks of an international investment is one of the trickiest aspects of finance. This comprehensive guidebook provides you with usable international data and methodology, and the ability to: Turn to a definitive resource of world-class data and guidance to gain a distinct competitive advantage in real-world situations. Access costly and difficult-to-obtain international data, assembled into easy-to-use cost of capital inputs at an accessible price point. Quickly grasp how concepts and methodologies translate into actual practice when they are brought to life in exemplifying cases. Accurate. Reliable. Trusted. The 2017 Valuation Handbook – International Guide to Cost of Capital gives you the upper hand the moment you open it. Other volumes in the annual series include: 2017 Valuation Handbook – International Industry Cost

of Capital 2017 Valuation Handbook - U.S. Guide to Cost of Capital
2017 Valuation Handbook - U.S. Industry Cost of Capital

Understanding the current state of affairs and tools available in the study of international finance is increasingly important as few areas in finance can be divorced completely from international issues. International Finance reflects the new diversity of interest in international finance by bringing together a set of chapters that summarizes and synthesizes developments to date in the many and varied areas that are now viewed as having international content. The book attempts to differentiate between what is known, what is believed, and what is still being debated about international finance. The survey nature of this book involves tradeoffs that inevitably had to be made in the process given the vast footprint that constitutes international finance. No single book can cover everything. This book, however, tries to maintain a balance between the micro and macro aspects of international finance. Although each chapter is self-contained, the chapters form a logical whole that follows a logical sequence. The book is organized into five broad categories of interest: (1) exchange rates and risk management, (2) international financial markets and institutions, (3) international investing, (4) international financial management, and (5) special topics. The chapters cover market integration, financial crisis, and the links between financial markets and development in some detail as they relate to these areas. In each instance, the contributors to this book discuss developments in the field to date and explain the importance of each area to finance as a field of study. Consequently, the strategic focus of the book is both broad and narrow, depending on the reader's needs. The entire book provides a broad picture of the current state of international finance, but a reader with more focused interests will find individual chapters illuminating on specific topics.

Classical and behavioral finance are often seen as being at odds, but the idea of "popularity" has been introduced as a way of reconciling the two approaches. Investors like or dislike various characteristics of securities for rational reasons (as in classical finance) or irrational reasons (as in behavioral finance), which makes the assets popular or unpopular. In the capital markets, popular (unpopular) securities trade at prices that are higher (lower) than they would be otherwise; hence, the shares may provide lower (higher) expected returns. This book builds on this idea and expands it in two major ways. First, it introduces a rigorous asset pricing model, the popularity asset pricing model (PAPM), which adds investor preferences for security characteristics other than the risk and expected return that are part of the capital asset pricing model. A major conclusion of the PAPM is that the expected return of any security is a linear function of not only its systematic risk (beta) but also of all security characteristics that investors care about. The other major contribution of the book is new empirical work that, while confirming the well-known premiums (such as size, value, and liquidity) in a popularity context, supports the popularity hypothesis on the basis of portfolios of stocks based on such characteristics as brand value,

sustainable competitive advantage, and reputation. Popularity unifies the factors that affect price in classical finance with those that drive price in behavioral finance, thus creating a unifying theory or bridge between classical and behavioral finance.

Navigate equity investments and asset valuation with confidence **Equity Asset Valuation, Third Edition** blends theory and practice to paint an accurate, informative picture of the equity asset world. The most comprehensive resource on the market, this text supplements your studies for the third step in the three-level CFA certification program by integrating both accounting and finance concepts to explore a collection of valuation models and challenge you to determine which models are most appropriate for certain companies and circumstances. Detailed learning outcome statements help you navigate your way through the content, which covers a wide range of topics, including how an analyst approaches the equity valuation process, the basic DDM, the derivation of the required rate of return within the context of Markowitz and Sharpe's modern portfolio theory, and more. Equity investments encompass the buying and holding of shares of stock in the anticipation of collecting income from dividends and capital gains. Determining which shares will be profitable is key, and an array of valuation techniques is applied on today's market to decide which stocks are ripe for investment and which are best left out of your portfolio. Access the most comprehensive equity asset valuation text on the market **Leverage** detailed learning outcome statements that focus your attention on key concepts, and guide you in applying the material accurately and effectively **Explore** a wide range of essential topics, such as the free cash flow approach, valuation using Graham and Dodd type concepts of earning power, associated market multiples, and residual income models **Improve** your study efforts by leveraging the text during your CFA certification program prep **Equity Asset Valuation, Third Edition** is a comprehensive, updated text that guides you through the information you need to know to fully understand the general analysis of equity investments.

Stocks, Bonds, Bills, and Inflation ... Yearbook

Quarterly market reports

2017 Stocks, Bonds, Bills, and Inflation (SBBI) Yearbook

Cost of Capital Workbook

A Global Perspective

Financial Valuation

Cost of Capital in Litigation addresses cost of capital issues in litigation and discusses major decisions, highlighting how to avoid errors that have often been made by experts. The book helps the attorney and valuation expert understand the decisions within the context of the theory of cost of capital and includes a chapter on cross-examining experts on cost of capital issues. Throughout, there are citation to relevant material and cross-reference to **Cost of Capital: Applications and Examples, Fourth Edition**.

The Equity Risk Premium Essays and Explorations Oxford University Press

The latest, most complete data for more informed investment decisions **The 2017 Stocks, Bonds, Bills, and Inflation (SBBI) Yearbook** is the industry standard performance data reference, with comprehensive records dating back to 1926. Covering common stocks, long-term government bonds, long-term corporate bonds, Treasury bills, and the Consumer Price

Index, this book provides the essential information advisors, planners, and brokers need to analyze asset class performance. Historical return figures include the riskless rate of interest, equity risk premium, bond default premium, and the maturity premium between the return on long-term governments and Treasury bills, and total returns and index values cover large and small company stocks, long- and intermediate-term government bonds, inflation, and more. Charts and graphs allow for quick visual reference, and a clear hierarchical organization pattern facilitates efficient data location. As the go-to reference for information and capital market returns, this book provides investors with the critical background they need to analyze future investments. With the most complete historical data available, investors will be able to: Find annual index levels and total rates of return for five basic asset series Access historical return figures for four component series Estimate cost-of-capital based on comprehensive, reliable data Make informed judgments about future investment opportunities Performance analysis is critical to successful investing, but the analysis can only be as useful as the data is accurate. Decisions made from scant information are not good investment decisions; investors need complete, top-quality data to make informed choices and properly balance risk with reward. The 2017 Stocks, Bonds, Bills, and Inflation (S&BBI) Yearbook is the definitive study of historical capital market data in the United States, and the gold-standard reference industry-wide.

In this long-awaited Third Edition of *Cost of Capital: Applications and Examples*, renowned valuation experts and authors Shannon Pratt and Roger Grabowski address the most controversial issues and problems in estimating the cost of capital. This authoritative book makes a timely and significant contribution to the business valuation body of knowledge and is an essential part of the expert's library.

Private Equity

Business Valuation and Federal Taxes

Factor Investing and Asset Allocation: A Business Cycle Perspective

International Finance

Tools and Techniques for Determining the Value of Any Asset

101 Years of Global Investment Returns

Ratings, Rating Agencies and the Global Financial System brings together the research of economists at New York University and the University of Maryland, along with those from the private sector, government bodies, and other universities. The first section of the volume focuses on the historical origins of the credit rating business and its present day industrial organization structure. The second section presents several empirical studies crafted largely around individual firm-level or bank-level data. These studies examine (a) the relationship between ratings and the default and recovery experience of corporate borrowers, (b) the comparability of credit ratings made by domestic and foreign rating agencies, and (c) the usefulness of financial market indicators for rating banks, among other topics. In the third section, the record of sovereign credit ratings in predicting financial crises and the reaction of financial markets to changes in credit ratings is examined. The final section of the volume emphasizes policy issues now facing

regulators and credit rating agencies.

During the past few decades, private equity (PE) has attracted considerable attention from investors, practitioners, and academicians. In fact, a substantial literature on PE has emerged. PE offers benefits for institutional and private wealth management clients including diversification and enhancement of risk-adjusted returns. However, several factors such as liquidity concerns, regulatory restrictions, and the lack of transparency limit the attractiveness of some PE options to investors. The latest volume in the Financial Markets and Investments Series, *Private Equity: Opportunities and Risks* offers a synthesis of the theoretical and empirical literature on PE in both emerging and developed markets. Editors H. Kent Baker, Greg Filbeck, Halil Kiyamaz and their co-authors examine PE and provide important insights about topics such as major types of PE (venture capital, leveraged buyouts, mezzanine capital, and distressed debt investments), how PE works, performance and measurement, uses and structure, and trends in the market. Readers can gain an in-depth understanding about PE from academics and practitioners from around the world. *Private Equity: Opportunities and Risks* provides a fresh look at the intriguing yet complex subject of PE. A group of experts takes readers through the core topics and issues of PE, and also examines the latest trends and cutting-edge developments in the field. The coverage extends from discussing basic concepts and their application to increasingly complex and real-world situations. This new and intriguing examination of PE is essential reading for anyone hoping to gain a better understanding of PE, from seasoned professionals to those aspiring to enter the demanding world of finance.

Research into the equity risk premium, often considered the most important number in finance, falls into three broad groupings. First, researchers have measured the margin by which equity total returns have exceeded fixed-income or cash returns over long historical periods and have projected this measure of the equity risk premium into the future. Second, the dividend discount model—or a variant of it, such as an earnings discount model—is used to estimate the future return on an equity index, and the fixed-income or cash yield is then subtracted to arrive at an equity risk premium

expectation or forecast. Third, academics have used macroeconomic techniques to estimate what premium investors might rationally require for taking the risk of equities. Current thinking emphasizes the second, or dividend discount, approach and projects an equity risk premium centered on 3½% to 4%.

Innovative approaches to putting asset allocation into practice Building on more than 15 years of asset-allocation research, Paul D. Kaplan, who led the development of the methodologies behind the Morningstar Rating(TM) and the Morningstar Style Box(TM), tackles key challenges investor professionals face when putting asset-allocation theory into practice. This book addresses common issues such as: How should asset classes be defined? Should equities be divided into asset classes based on investment style, geography, or other factors? Should asset classes be represented by market-cap-weighted indexes or should other principles, such as fundamental weights, be used? How do actively managed funds fit into asset-class mixes? Kaplan also interviews industry luminaries who have greatly influenced the evolution of asset allocation, including Harry Markowitz, Roger Ibbotson, and the late Benoit Mandelbrot. Throughout the book, Kaplan explains allocation theory, creates new strategies, and corrects common misconceptions, offering original insights and analysis. He includes three appendices that put theory into action with technical details for new asset-allocation frameworks, including the next generation of portfolio construction tools, which Kaplan dubs "Markowitz 2.0."

Entrepreneurial Finance and Accounting for High-Tech Companies

Investment Philosophies

Cost of Capital

An Investor's Guide to Harvesting Market Rewards

Ratings, Rating Agencies and the Global Financial System
Vols. for 1984- contain Market results for 1926-1983--

Valuation is a topic that is extensively covered in business degree programs throughout the country. Damodaran's revisions to "Investment Valuation" are an addition to the needs of these programs.

Praise for Private Capital Markets Valuation, Capitalization, and Transfer of Private Business Interests SECOND EDITION "In the years since publication of the first edition of Private Capital Markets, the concepts and ideas that it presents have been widely accepted by progressive members of the business

valuation community. Now with the Second Edition, author Rob Slee has included empirical data on capital markets for midsized businesses. This book remains a must for everyone involved in appraising, buying, selling, or financing privately owned businesses." —Raymond C. Miles, founder, The Institute of Business Appraisers "The Graziadio School of Business has used the Private Capital Markets book for several years with great success. This course, along with the Pepperdine Private Capital Markets Survey project, has helped our students better prepare for careers in middle market companies." —Linda Livingstone, Dean of the Graziadio School of Business and Management, Pepperdine University "Our international association of independent M&A professionals recommends this text as the most comprehensive foundation for understanding the private capital marketplace. This book is essential reading for middle market M&A advisors, investors, and other decision-makers in the private capital markets." —Mike Nall, founder, Alliance of M&A Advisors A practical road map for making sound investment and financing decisions based on real experiences and market needs Now fully revised and in a second edition, Private Capital Markets provides lawyers, accountants, bankers, estate planners, intermediaries, and other professionals with a workable framework for making sound investment and financing decisions based on their own needs and experiences. This landmark resource covers: Private business valuation Middle market capital sources The business ownership transfer spectrum And much more Private Capital Markets, Second Edition surveys the private capital markets and presents the proven guidance you need to navigate through these uncharted waters.

The Equity Risk Premium—the difference between the rate of return on common stock and the return on government securities—has been widely recognized as the key to forecasting future returns on the stock market. Though relatively simple in theory, understanding and making practical use of the equity risk premium concept has been dauntingly complex—until now. In *The Equity Risk Premium*, financial advisor, author, and scholar Bradford Cornell makes accessible for the first time an authoritative explanation of the equity risk premium and how it works in the real world. Step-by-step, his lucid, nontechnical presentation leads the reader to a new and more enlightened basis for making asset allocation choices. Cornell begins his analysis by looking at the equity risk premium in the light of stock market history. He examines the use of historical data in estimating future stock market performance, including the historical relationship between stock returns and risk premium, the impact of survival bias, and the effect of long-horizon stock and bond returns. Using the stock market boom of the 1990s as a case study, Cornell demonstrates what equity risk premium analysis can tell us about whether stock prices are high or low, whether the stock market itself may have changed, and whether indeed a new economic paradigm of higher earnings and dividend growth is now in place. Cornell analyzes forward-looking

estimates of the equity risk premium through the lens of various competing approaches and assesses the relative merits of each. Among those scrutinized are the Discounted Cash Flow model, the Kaplan-Rubeck study, the Welch survey, and the Fama-French Aggregate IRR analysis. His insights on risk aversion theory, on the types of risk that have been rewarded over time, and on changing investor demographics all supply the sophisticated investor with important pieces of the risk premium puzzle. In his invaluable summing up of the equity risk premium and the long-run outlook for common stocks, Cornell weighs the evidence and assays the impact of a lower equity risk premium in the future-and its profound implications for investments, corporate decision making, and retirement planning. The product of years of serious analysis and hard-won insights, The Equity Risk Premium is essential reading for institutional investors, money managers, corporate financial officers, and all others who require a higher level of market analysis. "The Equity Risk Premium plays a critical role in legal and regulatory matters related to corporate finance. Along with the cost of debt, it is the most important determinant of a company's cost of capital. As such, it is an integral part of the decision-making process in corporate finance. For instance, whether or not a major acquisition makes sense can depend on the assumed value of the equity risk premium. In addition, the equity risk premium is an issue that regulatory bodies consider when they set fair rates of return for regulated companies. Cornell's book is an important contribution because it includes both an historical analysis of the equity risk premium and provides tools for forecasting reasonable levels of the risk premium in the years ahead."-Theodore N. Miller, Partner, Sidley & Austin. "Estimating how well stocks will do in the future from how well they have done in the past is like driving a car while looking in the rearview mirror. Brad Cornell provides us with an important forward-looking view in this easily understood guide to the equity risk premium and confounds the popular view that stocks will do well in the future because they have done well in the past."-Michael Brennan, Past President of the American Finance Association and Professor of Finance at the University of California at Los Angeles.

Essays and Explorations

Estimation and Applications

Expected Returns on Major Asset Classes

The Equity Risk Premium: A Contextual Literature Review

Stocks for the Long Run, 4th Edition

Procedure, Law and Perspective

Praise for Focus on Value "Focus on Value-with its theoretical and practical focus on economic profit fundamentals-is a modern day 'Graham and Dodd' primer on company and equity securities analysis."-Robert S. Hamada, Edward Eagle Brown Distinguished Service Professor of Finance, The University of Chicago Graduate School of Business "Now that investors have abandoned momentum and are migrating back to fundamental investing,

the market has become a more rational place. This book is a manual for serious investors who believe that identifying growing corporate earning power is the foundation of value creation. Those following its precepts should minimize risk and be rewarded over the long term."-Byron R. Wien, Chief U.S. Investment Strategist, Morgan Stanley Dean Witter & Co.

"Economic profit is one of the most useful managerial tools as well as a key to understanding the valuation of companies. Focus on Value is an outstanding piece of work. It captures the full spectrum of the 'Metric Wars' without ever confusing the reader. The serious student of economic profit will be richly rewarded by reading this excellent book from cover to cover."-Mario A. Corti, Chairman and Chief Executive Officer, Swissair Group, Zurich *"Messrs. Grant and Abate have provided an analytical tool for corporate executives and investment managers which takes the concepts of economic profit and value maximization to the next level."*-Suresh Thadhani, Chief Financial Officer and Executive Vice President, Alcan, Inc. *"This book makes a real contribution to the most critical element in helping companies implement efficient capital resource allocation by highlighting the direct linkage between economic profit and stock price."*-Jack Warner, Chairman, Kerry Inc. *"The authors have put together an excellent piece of work and finally provide readers seriously interested in applying economic profit with a practical, market-oriented approach to integrate the basic building blocks of economic profit with valuation and market expectations."*-David King, Director of Research, North America, PricewaterhouseCoopers, Corporate Value Consulting *"In an era of following the herd toward indexation and price momentum, it is refreshing to see thinking out of the box and substantiating the tenets of an investment process that equates value with real investment opportunity."*-Eric Colson, Senior Vice President, Callan Associates
www.wileyfinance.com

Edited by Rajnish Mehra, this volume focuses on the equity risk premium puzzle, a term coined by Mehra and Prescott in 1985 which encompasses a number of empirical regularities in the prices of capital assets that are at odds with the predictions of standard economic theory.

Real world applications and professional consensus by nationally recognized valuation experts Filled with a wealth of detail, practice tips, and examples, Financial Valuation: Applications and Models, Third Edition brings together thirty nationally recognized names in the valuation industry hailing from a variety of professional specializations-including accounting, business appraisal, and financial analysis-to provide practitioners with an indispensable reference on various valuation issues. Assembled by valuation authority James Hitchner, these contributors analyze, explain, and collaborate on the most effective valuation procedures to share real-world applications in the field of financial valuations. Written by 30 top experts in business valuations field Provides the valuation theory, the consensus view on application, and then the tools to apply it An all-encompassing valuation handbook that presents the application of financial valuation theory for business appraisers and consultants New chapters on Assessing Risk and

Expert Witness Testimony Expands chapter on Cost of Capital Comprehensive in coverage and authoritative in treatment, James Hitchner's Financial Valuation, Third Edition provides trusted, complete business valuation information for CPAs, appraisers, analysts, attorneys, and corporate executives.

This comprehensive reference delivers a toolkit for harvesting market rewards from a wide range of investments. Written by a world-renowned industry expert, the reference discusses how to forecast returns under different parameters. Expected returns of major asset classes, investment strategies, and the effects of underlying risk factors such as growth, inflation, liquidity, and different risk perspectives, are also explained. Judging expected returns requires balancing historical returns with both theoretical considerations and current market conditions. Expected Returns provides extensive empirical evidence, surveys of risk-based and behavioral theories, and practical insights.

*2017 Valuation Handbook - International Guide to Cost of Capital
Value Creation by Structuring High Technology Alliances
The Long-Run Future of the Stock Market
From Innovation to Cash Flows
Popularity: A Bridge between Classical and Behavioral Finance
Handbook of the Equity Risk Premium*

The guide for investors who want a better understanding of investment strategies that have stood the test of time This thoroughly revised and updated edition of Investment Philosophies covers different investment philosophies and reveal the beliefs that underlie each one, the evidence on whether the strategies that arise from the philosophy actually produce results, and what an investor needs to bring to the table to make the philosophy work. The book covers a wealth of strategies including indexing, passive and activist value investing, growth investing, chart/technical analysis, market timing, arbitrage, and many more investment philosophies. Presents the tools needed to understand portfolio management and the variety of strategies available to achieve investment success Explores the process of creating and managing a portfolio Shows readers how to profit like successful value growth index investors Aswath Damodaran is a well-known academic and practitioner in finance who is an expert on different approaches to valuation and investment This vital resource examines various investing philosophies and provides you with helpful online resources and tools to fully investigate each investment philosophy and assess whether it is a philosophy that is appropriate for you.

Aswath Damodaran, distinguished author, Professor of Finance, and David Margolis, Teaching Fellow at the NYU Stern School of Business, have delivered the newest edition of Applied Corporate Finance. This readable text provides the practical advice students and practitioners need rather than a sole concentration on debate theory, assumptions, or models. Like no other text of its kind, Applied Corporate Finance, 4th Edition applies corporate finance to real companies. It now contains six real-world core companies to study and follow. Business decisions are classified for students into three groups:

investment, financing, and dividend decisions.

Financial aspects of launching and operating a high-tech company, including risk analysis, business models, U.S. securities law, financial accounting, tax issues, and stock options, explained accessibly. This book offers an accessible guide to the financial aspects of launching and operating a high-tech business in such areas as engineering, computing, and science. It explains a range of subjects—from risk analysis to stock incentive programs for founders and key employees—for students and aspiring entrepreneurs who have no prior training in finance or accounting. The book begins with the rigorous analysis any prospective entrepreneur should undertake before launching a business, covering risks associated with a new venture, the reasons startup companies fail, and the stages of financing. It goes on to discuss business models and their components, business plans, and exit planning; forms of business organization, and factors to consider in choosing one; equity allocation to founders and employees; applicable U.S. securities law; and sources of equity capital. The book describes principles of financial accounting, the four basic financial statements, and financial ratios useful in assessing management performance. It also explains financial planning and the use of budgets; profit planning; stock options and other option-type awards; methodologies for valuing a private company; economic assessment of a potential investment project; and the real options approach to risk and managerial flexibility. Appendixes offer case studies of Uber and of the valuation of Tentex.

An intuitive introduction to fundamental corporate finance concepts and methods Lessons in Corporate Finance, Second Edition offers a comprehensive introduction to the subject, using a unique interactive question and answer-based approach. Asking a series of increasingly difficult questions, this text provides both conceptual insight and specific numerical examples. Detailed case studies encourage class discussion and provide real-world context for financial concepts. The book provides a thorough coverage of corporate finance including ratio and pro forma analysis, capital structure theory, investment and financial policy decisions, and valuation and cash flows provides a solid foundational knowledge of essential topics. This revised and updated second edition includes new coverage of the U.S. Tax Cuts and Jobs Act of 2017 and its implications for corporate finance valuation. Written by acclaimed professors from MIT and Tufts University, this innovative text integrates academic research with practical application to provide an in-depth learning experience. Chapter summaries and appendices increase student comprehension. Material is presented from the perspective of real-world chief financial officers making decisions about how firms obtain and allocate capital, including how to: Manage cash flow and make good investment and financing decisions Understand the five essential valuation methods and their sub-families Execute leveraged buyouts, private equity financing, and mergers and acquisitions Apply basic corporate finance tools, techniques, and policies Lessons in Corporate Finance, Second Edition provides an accessible and engaging introduction to the basic methods and principles of corporate finance. From determining a firm's financial health to valuation nuances, this text provides the essential groundwork for independent investigation and advanced study.

Guide to Damages in International Arbitration

Expected Returns

A Case Studies Approach to Financial Tools, Financial Policies, and Valuation

Frontiers of Modern Asset Allocation

Lessons in Corporate Finance

The Definitive Guide to Financial Market Returns & Long Term Investment Strategies