

Stock Valuation Topics

This is a general guideline and should be viewed as such. Anything covered in class can be tested.

1. Intrinsic Valuation

- (a) What is intrinsic valuation?
- (b) Three cases of valuing stocks using estimated dividends
 - i. Zero Growth
 - ii. Constant dividend growth (DGM or Gordon growth model)
 - iii. Non-constant growth
- (c) Constant growth model conditions
- (d) Using DGM to find R

2. Relative Valuation

- (a) What is relative valuation?
- (b) Stock valuation using trading multiples

3. Common shares

- (a) Voting rights and Types of voting
- (b) Proxy voting and Proxy fight
- (c) Share classes (classes of stock)
- (d) Other rights

4. Preferred stock

- (a) Know what it is and the rights associated with it (dividends and voting)

5. Stock Markets

- (a) Auction vs Dealer Market
- (b) NYSE vs NASDAQ
- (c) NYSE members
 - i. Designated market makers
 - ii. Floor brokers
 - iii. Supplemental liquidity providers
- (d) Market Makers