



Equity Instruments and Markets: Syllabus

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General Information

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- Office Hours
 - Monday 12-1.15
 - Wednesday 12-1.15
 - The fair game principle still applies.
- All classes will be web cast. The web casts will be online (usually) within 48 hours of the class. You can find the webcasts by going to the home page for the equity class.

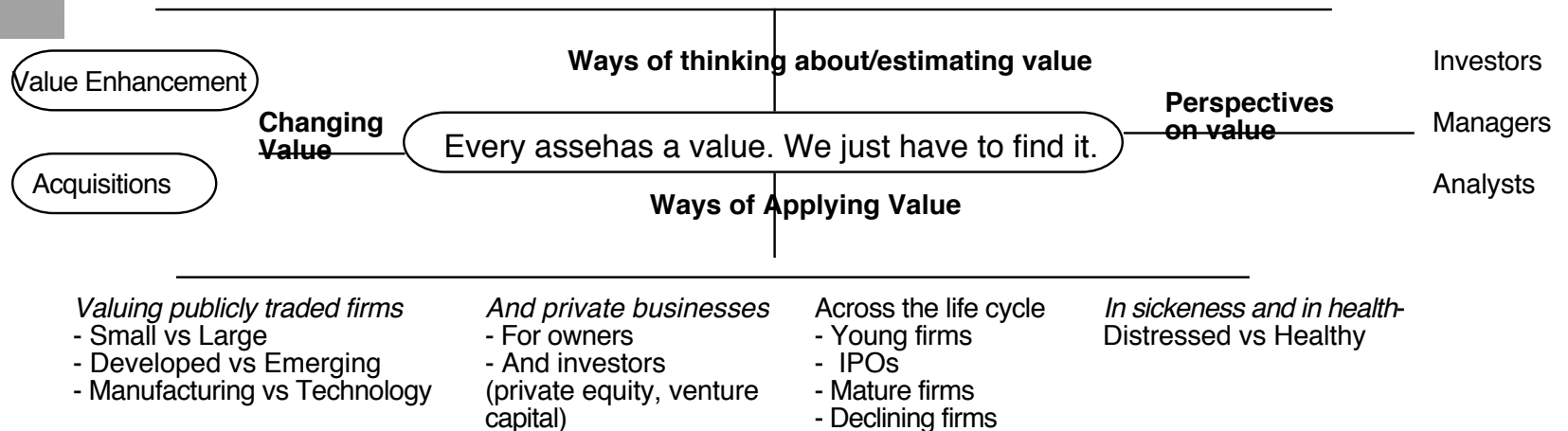
http://www.stern.nyu.edu/~adamodar/New_Home_Page/equity.html

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	1-2
Discounted Cashflow Valuation	
1. Estimation Issues	3-8
2. Valuation Examples	9-11
Relative Valuation	12-17
Valuing Private Firms	18-19
Option Pricing Applications in Valuation	20-22
Valuing Acquisitions	23-24
Value Enhancement Strategies	24-25
Review	26

Book Chapters

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

Required Material

- **Lecture Note Packets:** These are available in three parts. They can be downloaded from my web site, as pdf files, by going to:
http://www.stern.nyu.edu/~adamodar/New_Home_Page/eqlect.html
- **Supplementary texts:** You can buy this book and share with a couple of people, if needed, or not buy the book at all.
 - *The Dark Side of Valuation : Prentice Hall*
 - *Investment Valuation (2nd Edition)*
- **Other Readings:**
 - The other readings for each topic are available on my web site, and can be downloaded at
http://www.stern.nyu.edu/~adamodar/New_Home_Page/eqread.htm

Rules of Engagement

- Rules of group work:
 - Pick your own groups. (If you have trouble getting picked, I will help)
 - All group work will be self policed, except in extreme circumstances.
 - There will be one grade per group, no matter how the work load is distributed among the group members
- Rules on individual work
 - All exams and quizzes are strictly individual work.
 - There will be no make-up quizzes. If you miss a quiz for a good reason, the grade will be redistributed over the remaining part of the course.
 - I will be the grader, and I do make mistakes. If I screw up, bring it to my attention and I will fix it.
- Rules on Participation
 - All participation is welcome.