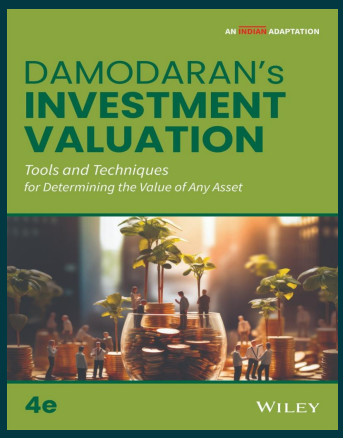
WILEY



Investment Valuation: Tools and Techniques for Determining the Value of Any Asset, 4ed (An Indian Adaptation)

By Aswath Damodaran

Paperback 9789370601710 **₹1,199.00**

Pages: 1140

Description

Valuation may seem complex, but at its core, it is simple and applies across sectors, geographies, and company types. In this Indian adaptation of Investment Valuation: Tools and Techniques for Determining the Value of Any Asset, 4th Edition, renowned New York University Stern Business School Professor Aswath Damodaran demystifies the process of valuing assets—stocks, bonds, real assets, and more—using global frameworks adapted to India's fast-evolving market.

India's market has captured global attention, driven by a compelling growth story, rising equity prices, increasing retail participation, and the continued influence of family-run businesses. This edition reflects these dynamics, helping readers apply sound valuation principles within the Indian context.

Whether you're a student, a self-taught learner, or an active investor, this book will guide you in applying valuation lessons to companies that interest you—in India or anywhere else.

About the Author

Aswath Damodaran

ASWATH DAMODARAN is Professor of Finance at New York University's Leonard N. Stern School of Business. He teaches corporate finance and valuation at leading investment banks. He has been the recipient of numerous awards for outstanding teaching, including the NYU Distinguished Teaching Award, and was named one of the nation's top business school teachers by BusinessWeek. His publications include Damodaran on Valuation, Applied Corporate Finance, The Little Book of Valuation, Investment Philosophies, and The Dark Side of Valuation.

Table of Contents

CHAPTER 1 Introduction to Valuation

A Philosophical Basis for Valuation

Pricing versus Valuation

The Bermuda Triangle of Valuation

Market Efficiency

The Role of Valuation

Conclusion

Questions and Short Problems

CHAPTER 2 Approaches to Valuation

Intrinsic Valuation

Pricing or Relative Valuation
Contingent Claim Valuation
Conclusion
Questions and Short Problems
CHAPTER 3 Understanding Financial Statements
The Basic Accounting Statements
Asset Measurement and Valuation
Measuring Financing Mix
Measuring Earnings and Profitability
Measuring Risk
Other Issues in Analyzing Financial Statements
Conclusion
Questions and Short Problems
CHAPTER 4 The Basics of Risk
What Is Risk?
Equity Risk and Expected Return
Alternative Models for Equity Risk
A Comparative Analysis of Equity Risk Models
Models of Default Risk
Conclusion
Questions and Short Problems
CHAPTER 5 Option Pricing Theory and Models
Basics of Option Pricing
Option Pricing Models
Extensions of Option Pricing
Conclusion
Questions and Short Problems
CHAPTER 6 Market Efficiency—Definition, Tests, and Evidence
Market Efficiency and Investment Valuation
What Is an Efficient Market?
Testing Market Efficiency
Cardinal Sins in Testing Market Efficiency
Some Lesser Sins That Can Be a Problem
Evidence on Market Efficiency
Time Series Properties of Price Changes
Market Reaction to Information Events
Market Anomalies
Evidence on Insiders and Investment Professionals

Conclusion
Questions and Short Problems
CHAPTER 7 Riskless Rates and Risk Premiums
The Risk-Free Rate
Equity Risk Premium
Default Spreads on Bonds
Conclusion
Questions and Short Problems
CHAPTER 8 Estimating Risk Parameters and Costs of Financing
The Cost of Equity and Capital
Cost of Equity
From Cost of Equity to Cost of Capital
Best Practices at Firms
Conclusion
Questions and Short Problems
CHAPTER 9 Measuring Earnings
The Lead-in: From Accounting Data to Financial Information
Adjusting Earnings
Measuring Earnings Power: Clean Up and Time Differences
Conclusion
Questions and Short Problems
CHAPTER 10 From Earnings To Cash Flows
The Tax Effect
Reinvestment Needs
Conclusion
Questions and Short Problems
CHAPTER 11 Estimating Growth
The Importance of Growth
Historical Growth
Outsourcing Growth
Fundamental Determinants of Growth
Top-Down Growth: From Revenue Growth to Free Cash Flows
Qualitative Aspects of Growth
Conclusion
Questions and Short Problems
CHAPTER 12 Closure in Valuation: Estimating Terminal Value
Closure in Valuation
The Survival Issue

Closing Thoughts on Terminal Value
Conclusion
Questions and Short Problems
CHAPTER 13 Narrative and Numbers – Story to Value
Valuation as a Bridge
The Importance of Storytelling
The Dangers in Storytelling
From Story to Numbers: The Process
Narrative and Numbers Across the Life Cycle
Story Resets, Changes, and Breaks
Conclusion
Questions and Short Problems
CHAPTER 14 Equity Intrinsic Value Models
Equity Valuation
The Dividend Discount Model
The Augmented Dividend Discount Model
Potential Dividend or FCFE Models
FCFE Valuation Versus Dividend Discount Model Valuation
Conclusion
Questions and Short Problems
CHAPTER 15 Firm Valuation: Cost of Capital and Adjusted Present Value Approaches
Free Cash Flow to the Firm
Firm Valuation: The Cost of Capital Approach
Firm Valuation: The Adjusted Present Value Approach
Firm Valuation: Sum of the Parts
Effect of Leverage on Firm Value
Conclusion
Questions and Short Problems
CHAPTER 16 Estimating Equity Value per Share
Value of Nonoperating Assets
Firm Value and Equity Value
Stock-based Compensation
Value per Share When Voting Rights Vary
Conclusion
Questions and Short Problems
CHAPTER 17 Fundamental Principles of Relative Valuation
Use of Relative Valuation
Standardized Values and Multiples

Four Basic Steps to Using Multiples
Reconciling Relative and Discounted Cash Flow Valuations
Conclusion
Questions and Short Problems
CHAPTER 18 Earnings Multiples
Price-Earnings Ratio
The PEG Ratio
Other Variants on the PE Ratio
Enterprise Value to EBITDA Multiple
Conclusion
Questions and Short Problems
CHAPTER 19 Book Value Multiples
Price-to-Book Equity
Value-to-Book Ratios
Tobin’S Q: Market Value/Replacement Cost
Conclusion
Questions and Short Problems
CHAPTER 20 Revenue Multiples and Sector-Specific Multiples
Revenue Multiples
Sector-Specific Multiples
Conclusion
Questions and Short Problems
CHAPTER 21 Valuing Financial Service Firms
Categories of Financial Service Firms
What Is Unique About Financial Service Firms?
General Framework for Valuation
Discounted Cash Flow Valuation
Relative Valuation
The Crisis Effect
Nonbank Financial Service Firms
Conclusion
Questions and Short Problems
CHAPTER 22 Valuing Money-Losing Firms
Negative Earnings: Consequences and Causes
Valuing Money-Losing Firms
Conclusion
Questions and Short Problems
CHAPTER 23 Valuing Young or Start-Up Firms

Information Constraints
General Framework for Analysis
Value Drivers
Estimation Noise
The Expectations Game
Conclusion
Questions and Short Problems
CHAPTER 24 Valuing Private Firms
What Makes Private Firms Different?
Estimating Valuation Inputs at Private Firms
Valuation Motives and Value Estimates
Valuing Venture Capital and Private Equity Stakes
Pricing Private Businesses
Conclusion
Questions and Short Problems
CHAPTER 25 Acquisitions and Takeovers
Background on Acquisitions
Steps in an Acquisition
Takeover Valuation: Biases and Common Errors
Structuring the Acquisition
Improving the Odds
Analyzing Management and Leveraged Buyouts
Conclusion
Questions and Short Problems
CHAPTER 26 Valuing Real Estate
Real Versus Financial Assets
Real Estate: The Underfollowed Investment Class
Intrinsic Valuation of Real Estate
Comparable/Relative Valuation
Valuing Real Estate Businesses
Conclusion
Questions and Short Problems
CHAPTER 27 Valuing Other Assets
Investment classification
Cash-Flow–Producing Assets
Collectibles
Trophy Assets
Conclusion

Questions and Short Problems
CHAPTER 28 The Option to Delay and Valuation Implications
Real Options: Promise and Pitfalls
The Option to Delay a Project
Valuing a Patent
Natural Resource Options
Other Applications
Conclusion
Questions and Short Problems
CHAPTER 29 The Options to Expand and to Abandon: Valuation Implications
The Option to Expand
When Are Expansion Options Valuable?
Valuing a Firm with the Option to Expand
Valuing the Optionality in Users and Data
Value of Financial Flexibility
The Option to Abandon
Reconciling Net Present Value and Real Option Valuations
Conclusion
Questions and Short Problems
CHAPTER 30 Valuing Equity in Distressed Firms
Equity in Highly Levered Distressed Firms
Optionality in Valuation: A Corporate Life Cycle Perspective
Implications of Viewing Equity as an Option
Estimating the Value of Equity as an Option
Distressed Equity as an Option: Consequences for Decision-Making
Conclusion
Questions and Short Problems
CHAPTER 31 Value Enhancement: A Discounted Cash Flow Valuation Framework
Value-Creating and Value-Neutral Actions
Ways of Increasing Value
Value Enhancement Chain
Closing Thoughts on Value Enhancement
Conclusion
Questions and Short Problems
CHAPTER 32 Value Enhancement: Economic Value Added, Cash Flow Return on Investment, and Other Tools
Economic Value Added
Cash Flow Return on Investment
A Postscript on Value Enhancement

Conclusion
Questions and Short Problems
CHAPTER 33 Probabilistic Approaches in Valuation: Scenario Analysis, Decision Trees, and Simulations
Scenario Analysis
Decision Trees
Simulations
An Overall Assessment of Probabilistic Risk-Assessment Approaches
Conclusion
Questions and Short Problems
CHAPTER 34 Overview and Conclusion
Choices in Valuation Models
Which Approach Should You Use?
Choosing the Right Intrinsic Valuation Model
Choosing the Right Pricing Model
When Should You Use the Option Pricing Models?
Conclusion
References
Index

To purchase this product, please visit:
https://www.wileyindia.com/investment-valuation-tools-and-techniques-for-determining-the-value-of-any-asset-4ed-an-indian-adaptation.html

Scan to buy