
EQUITY ASSET VALUATION WORKBOOK

John D. Stowe, CFA

Thomas R. Robinson, CFA

Jerald E. Pinto, CFA

Dennis W. McLeavey, CFA



John Wiley & Sons, Inc.

CONTENTS

PART I

Learning Outcomes, Summary Overview, and Problems

CHAPTER 1

The Equity Valuation Process	3
Learning Outcomes	3
Summary Overview	4
Problems	5

CHAPTER 2

Discounted Dividend Valuation	9
Learning Outcomes	9
Summary Overview	10
Problems	13

CHAPTER 3

Free Cash Flow Valuation	22
Learning Outcomes	22
Summary Overview	23
Problems	24

CHAPTER 4

Market-Based Valuation: Price Multiples	35
Learning Outcomes	35
Summary Overview	36
Problems	38

CHAPTER 5

Residual Income Valuation	45
Learning Outcomes	45
Summary Overview	46
Problems	47

PART II
Solutions

CHAPTER 1		
The Equity Valuation Process		55
Solutions	55	
CHAPTER 2		
Discounted Dividend Valuation		58
Solutions	58	
CHAPTER 3		
Free Cash Flow Valuation		67
Solutions	67	
CHAPTER 4		
Market-Based Valuation: Price Multiples		78
Solutions	78	
CHAPTER 5		
Residual Income Valuation		85
Solutions	85	
About the CFA Program		93