

## References

### Chapter 1

- Buffett, W.E. and L.A. Cunningham, 2001, *The Essays of Warren Buffett: Lessons of Corporate America*, The Cunningham Group.
- Cottle, S., R. Murray and F. Bloch, 1988, *Security Analysis*, McGraw-Hill.
- Graham, B., D.L. Dodd and S. Cottle, 1962, *Security Analysis*, Fourth Edition, McGraw-Hill.

### Chapter 2

- Black, F. and M. Scholes, 1972, *The Valuation of Option Contracts and a Test of Market Efficiency*, Journal of Finance, v27, 399-417.
- Damodaran, A., 1994, *Damodaran on Valuation*, John Wiley and Sons.
- Hooke, J.C., 2001, *Security Analysis on Wall Street*, John Wiley and Sons.

### Chapter 3

- Choi, F.D.S. and R.M. Levich, 1990, *The Capital Market Effects of International Accounting Diversity*, Dow Jones Irwin, New York.
- Stickney, C.P., 1993, *Financial Statement Analysis*, Dryden, Fort Worth
- White, G.I, A. Sondhi and D. Fried, 1997, *The Analysis and Use of Financial Statements*, Wiley, New York.
- Williams, J. R., 1998, *GAAP guide*, Harcourt Brace, New York.

### Chapter 4

- Amihud, Y., B. Christensen and H. Mendelson, 1992, *Further Evidence on the Risk-Return Relationship*, Working Paper, New York University.
- Bernstein, P., 1992, *Capital Ideas*, The Free Press, New York.
- Bernstein, P., 1996, *Against the Gods*, John Wiley & Sons, New York.
- Chan, L.K. and J. Lakonsihok, 1993, *Are the reports of Beta's death premature?*, Journal of Portfolio Management, v19, 51-62.
- Chen, N., R. Roll and S.A. Ross, 1986, *Economic Forces and the Stock Market*, Journal of Business, 1986, v59, 383-404.
- Elton, E.J. and M.J. Gruber, 1995, *Modern Portfolio Theory and Investment Management*, John Wiley & Sons, New York.
- Fama, E.F. and K.R. French, 1992, *The Cross-Section of Expected Returns*, Journal of Finance, v47, 427-466.
- Jensen, M.C, 1969, *Risk, the Pricing of Capital Assets, and the Evaluation of Investment Portfolios*, Journal of Business, v42, pp 167-247.
- Kothari, S.P. and J. Shanken, 1995, *In Defense of Beta*, Journal of Applied Corporate Finance, v8(1), 53-58.
- Lintner, J., 1965, *The Valuation of Risk Assets and the Selection of Risky Investments in Stock Portfolios and Capital Budgets*, Review of Economics and Statistics, v47, 13-37.
- Markowitz, Harry M., *Foundations Of Portfolio Theory*, Journal of Finance, 1991, v46(2), 469-478.
- Roll, R., 1977, *A Critique of the Asset Pricing Theory's Tests: Part I: On Past and Potential Testability of Theory*, Journal of Financial Economics, v4, 129-176.
- Ross, Stephen A., 1976, *The Arbitrage Theory Of Capital Asset Pricing*, Journal of Economic Theory, v13(3), 341-360.

Seyhun, H.N., 1986, *Insiders' Profits, Costs of Trading and Market Efficiency*, Journal of Financial Economics, v16, pp 189-212.

Sharpe, W.F, 1964, *Capital Asset Prices: A Theory of Market Equilibrium under Conditions of Risk*, Journal of Finance, v19, 425-442.

Weston, J.F. and T.E. Copeland, 1992, *Managerial Finance*, Dryden Press.

### **Chapter 5: Option Pricing**

Black, F. and M. Scholes, 1972, *The Valuation of Option Contracts and a Test of Market Efficiency*, Journal of Finance, v27, 399-417.

Cox, J.C. and M. Rubinstein, 1985, *Options Markets*, Prentice-Hall.

Cox, J.C. and S.A. Ross, 1976, *The Valuation of Options for Alternative Stochastic Processes*, Journal of Financial Economics, v3, 145-166.

Cox, J.C., S.A. Ross and M. Rubinstein, 1979, *Option Pricing: A Simplified Approach*, Journal of Financial Economics, v7, 229-264.

Geske, R., 1979, *The Valuation of Compound Options*, Journal of Finance, v7, 63-82.

Hull, J.C., 1999, *Options, Futures and Other Derivatives*, Prentice Hall.

Hull, J.C., *Introduction to Futures and Options Markets*, Prentice Hall, New Jersey.

Merton, R. C., 1973, *The Theory Of Rational Option Pricing*, Bell Journal of Economics, v4(1), 141-183.

Merton, R.C., *Option Pricing when the Underlying Stock Returns are Discontinuous*, Journal of Financial Economics, v3, 125-144.

### **Chapter 6: Market Efficiency**

Alexander, S.S., 1964, *Price Movements in Speculative Markets: Trends or Random Walks*, in *The Random Character of Stock Market Prices*, MIT Press.

Arbel, A. and P.J. Strebel, 1983, *Pay attention to neglected stocks*, Journal of Portfolio Management,

Banz, R., 1981, *The Relationship between Return and Market Value of Common Stocks*, Journal of Financial Economics, v9.

Basu, S., 1977, *The Investment Performance of Common Stocks in Relation to their Price-Earnings: A Test of the Efficient Market Hypothesis*, Journal of Finance, v32, 663-682.

Basu, S., 1983, *The Relationship between Earnings Yield, Market Value and Return for NYSE Common Stocks: Further Evidence*, Journal of Financial Economics, v12.

Bernstein, R., 1995, *Style Investing*, John Wiley and Sons.

Capaul, C., I. Rowley and W.F. Sharpe, 1993, *International Value and Growth Stock Returns*, Financial Analysts Journal, 27-36.

Carhart, M.M., 1997, *On the Persistence of Mutual Fund Performance*, Journal of Finance, v52, 57-82.

Chambers, A.E. and S.H. Penman, 1984, *Timeliness of Reporting and the Stock Price Reaction to Earnings Announcements*, Journal of Accounting Research, v22, 21-47.

Chan, L.K., Y. Hamao, and J. Lakonishok, 1991, *Fundamentals and Stock Returns in Japan*, Journal of Finance, v46, 1739-1789.

Chan, S.H, J. Martin and J. Kensinger, 1990, *Corporate Research and Development Expenditures and Share Value*, Journal of Financial Economics, v26, 255-276.

Conrad, J., 1989, *The Price Effect of Option Introduction*, Journal of Finance, v44, pp 487-498.

Cootner, P. H. 1961, *Common Elements In Futures Markets For Commodities And Bonds*, American Economic Review, 1961, v51(2), 173-183.

Cootner, P.H., 1962, Stock Prices: Random versus Systematic Changes, *Industrial Management Review*, v3, 24-45.

Damodaran, A., 1989, *The Weekend Effect in Information Releases: A Study of Earnings and Dividend Announcements*, *Review of Financial Studies*, v2, 607-623.

DeBondt, W.F.M. & R. Thaler, 1987, *Further Evidence on Investor Overreaction and Stock Market Seasonality*, *Journal of Finance*, v42, pp 557-581.

DeBondt, W.F.M. & R. Thaler, 1985, *Does the Stock Market Overreact?*, *Journal of Finance*, v40, pp 793-805.

Dimson, E. and P.R. Marsh, 1984, *An Analysis of Brokers' and Analysts' Unpublished Forecasts of UK Stock Returns*, *Journal of Finance*, 1257-1292.

Dimson, E. and P.R. Marsh, 1986, *Event Studies and the Size Effect: The Case of UK Press Recommendations*, *Journal of Financial Economics*, v17, 113-142.

Dimson, E. and P.R. Marsh, 2001, *Murphy's Law and Market Anomalies*, *Journal of Portfolio Management*, v25, 53-69.

Fama, E.F. and K.R. French, 1988, *Permanent and Temporary Components of Stock Prices*, *Journal of Political Economy*, v96, 246-273.

Fama, E.F. and K.R. French, 1992, *The Cross-Section of Expected Returns*, *Journal of Finance*, v47, 427-466.

Fama, E.F. and M. Blume, 1966, *Filter Rules and Stock Market Trading Profits*, *Journal of Business*, v39, 226-241.

Fama, E.F., 1965, *The Behavior of Stock Market Prices*, *Journal of Business*, v38, pp 34-105.

Fama, E.F., 1970, *Efficient Capital Markets: A Review of Theory and Empirical Work*, *Journal of Finance*, v25, pp 383-417.

Gultekin, M.N. and B.N. Gultekin, 1983, Stock Market Seasonality: International Evidence, *Journal of Financial Economics*,

Haugen, R.A. and Lakonishok, J., 1988, *The Incredible January Effect*, Homewood Ill., Dow Jones-Irwin.

Haugen, R.A., 1990, *Modern Investment Theory*, Prentice Hall.

Jaffe, J., 1974, *Special Information and Insider Trading*, *Journal of Business*, v47, pp 410-428.

Jegadeesh, N. and S. Titman, 1993, *Returns to Buying Winners and Selling Losers: Implications for Stock Market Efficiency*, *Journal-of-Finance*; 48(1), 65-91.

Jegadeesh, N. and S. Titman, 2001, *Profitability of Momentum Strategies: An Evaluation of Alternative Explanations*, *Journal-of-Finance*; 56(2), 699-720.

Jennergren, L.P., 1975, *Filter Tests of Swedish Share Prices*, in *International Capital Markets*, North-Holland, 55-67.

Jennergren, L.P., and P.E. Korsvold, 1974, *Price Formation in the Norwegian and Swedish Stock Markets - Some Random Walk Tests*, *Swedish Journal of Economics*, 76, 171-185.

Jensen, M. and G.A. Bennington, 1970, *Random Walks and Technical Theories, Some Additional Evidence*, *Journal of Finance*, v25, 469-482.

Jensen, M., 1968, *The Performance of Mutual Funds in the period 1945-64*, *Journal of Finance*, v2, 389-416.

Kaplan, R.S. and R. Roll, 1972, *Investor Evaluation of Accounting Information: Some Empirical Evidence*, Journal of Business, 225-257.

Keim, D., 1983, *Size Related Anomalies and Stock Return Seasonality: Further Empirical Evidence*, Journal of Financial Economics, v12

McConnell, J.J. and C.J. Muscarella, 1985, *Corporate Capital Expenditure Decisions and the Market Value of the Firm*, Journal of Financial Economics, v14, 399-422.

Michaely, R. and K.L. Womack, 1999, *Conflict of Interest and the Credibility of Underwriter Analyst Recommendations*, Review of Financial Studies, v12, 653-686.

Niederhoffer, V. and M.F.M. Osborne, 1966, *Market Making and Reversal on the Stock Exchange*, Journal of the American Statistical Association, v61, 891-916.

Peters, E.E., 1991, *Chaos and Order in the Capital Markets*, John Wiley & Sons.

Praduhman, S., 2000, *Small Cap Dynamics*, Bloomberg Press.

Praetz, Peter D., *The Distribution Of Share Price Changes*, Journal of Business, 1972, v45(1), 49-55.

Reinganum, M.R., 1983, *The Anomalous Stock Market Behavior of Small Firms in January: Empirical Tests for Tax-Loss Effects*, Journal of Financial Economics, v12.

Rendleman, R.J., C.P. Jones and H.A. Latene, 1982, *Empirical Anomalies based on Unexpected Earnings and the Importance of Risk Adjustments*, Journal of Financial Economics,

Richards, R.M. and J.D. Martin, 1979, *Revisions in Earnings Forecasts: How much response?*, Journal of Portfolio Management, v5, 47-52.

Ritter, J. and N. Chopra, 1989, *Portfolio Rebalancing and the Turn of the Year Effect*, Journal of Finance, v44, 149-166.

Roll, R., 1983, *Vas ist das?*, Journal of Portfolio Management, v9, 18-28.

Roll, R., 1984, *A Simple Implicit Measure of the Bid-Ask Spread in an Efficient Market*, Journal of Finance, V1 39, pp 1127-1139.

Rosenberg, B., K. Reid, and R. Lanstein, 1985, *Persuasive Evidence of Market Inefficiency*, Journal of Portfolio Management, v11, 9-17.

Seyhun, H.N., 1998, *Investment Intelligence from Insider Trading*, MIT Press, Cambridge.

Shiller, R., 1999, *Irrational Exuberance*, Princeton University Press, Princeton.

Sunder, S., 1973, *Relationship between Accounting Changes and Stock Prices: Problems of Measurement and some Empirical Evidence*, Empirical Research in Accounting: Selected Studies, 1-45.

Sunder, S., 1975, *Stock Price and Risk Related Accounting Changes in Inventory Valuation*, Accounting Review, 305-315.

Womack, K., 1996, *Do brokerage analysts' recommendations have investment value?*, Journal of Finance, v51, 137-167.

Woodruff, Catherine S. and A. J. Senchack, Jr., *Intradaily Price-Volume Adjustments Of NYSE Stocks To Unexpected Earnings*, Journal of Finance, 1988, v43(2), 467-491.

## **Chapter 7**

Altman, E.I., 1968, *Financial Ratios, Discriminant Analysis and the Prediction of Corporate Bankruptcy*, Journal of Finance, v23, pp 589-609.

Altman, E.I. and V. Kishore, 2000, *The Default Experience of U.S. Bonds*, Working Paper, Salomon Center, New York University.

Booth, L., 1999, *Estimating the Equity Risk Premium and Equity Costs: New Way of Looking at Old Data*, Journal of Applied Corporate Finance, v12(1), 100-112.

Bruner, R.F., K.M. Eades, R.S. Harris and R.C. Higgins, 1998, *Best Practices in Estimating the Cost of Capital: Survey and Synthesis*, Financial Practice and Education, 14-28.

Chan, K.C., G.A. Karolyi and R.M. Stulz, 1992, *Global Financial Markets and the Risk Premium on U.S. Equity*, Journal of Financial Economics, v32, 132-167.

Damodaran, A., *Estimating the Equity Risk Premium*, Working paper, [www.stern.nyu.edu/~adamodar/New\\_Home\\_Page/papers.html](http://www.stern.nyu.edu/~adamodar/New_Home_Page/papers.html).

Elton, E., M.J. Gruber and J. Mei, 1994, *Cost of Capital using Arbitrage Pricing Theory: A Case Study of Nine New York Utilities*, Financial Markets, Institutions and Instruments, v3, 46-73.

Godfrey, S. and R. Espinosa, 1996, *A Practical Approach to Calculating the Cost of Equity for Investments in Emerging Markets*, Journal of Applied Corporate Finance, v9(3), 80-81.

Ibbotson and Brinson, 1993, *Global Investing*, McGraw-Hill, New York.

Indro, D.C. and W. Y. Lee, 1997, *Biases in Arithmetic and Geometric Averages as Estimates of Long-run Expected Returns and Risk Premium*, Financial Management, v26, 81-90.

Pettit, J., 1999, *Corporate Capital Costs: A Practitioner's Guide*, Journal of Applied Corporate Finance, v12(1), 113-120.

Rosenberg, B. and V. Marathe, 1979, "Tests of Capital Asset Pricing Hypotheses", Research in Finance, v1, 115-124.

*Stocks, Bonds, Bills and Inflation*, 1999, Ibbotson Associates

Stulz, R.M., 1999, *Globalization, Corporate finance, and the Cost of Capital*, Journal of Applied Corporate Finance, v12(1).

## Chapter 8

Blume, M., 1979, *Betas and Their Regression Tendencies: Some Further Evidence*, Journal of Finance, v34(1), 265-67.

Brown, S.J and J.B. Warner, 1980, *Measuring Security Price Performance*, Journal-of-Financial-Economics; v8(3), 205-58.

Brown, S.J and J.B. Warner, 1985, *Using Daily Stock Returns: The Case of Event Studies*, Journal-of-Financial-Economics; v14(1), 3-31.

Bruner, R.F., K.M. Eades, R.S. Harris and R.C. Higgins, 1998, *Best Practices in Estimating the Cost of Capital: Survey and Synthesis*, Financial Practice and Education, 14-28.

Dimson, E., 1979, *Risk Measurement When Shares are Subject to Infrequent Trading*, Journal of Financial-Economics; v7(2), 197-226.

Hamada, R.S., *The Effect of the Firm's Capital Structure on the Systematic Risk of Common Stocks*, Journal of Finance, v27, 435-452.

Scholes, M. and J.T. Williams, 1977, *Estimating Betas from Nonsynchronous Data*, Journal-of-Financial-Economics; v5(3), 309-27.

## **Chapter 9: Measuring Earnings**

Aboody, D. and B. Lev, 1998, *The Value Relevance of Intangibles: The Case of Software Capitalization*. Journal of Accounting Research, v36(0), 161-191.

Bernstein, L.A. and J.G. Siegel, 1979, *The Concept of Earnings Quality*, Financial Analysts Journal, v35, 72-75.

Damodaran, A., 1999, *The Treatment of Operating Leases*, Working paper, [www.stern.nyu.edu/~adamodar/New\\_Home\\_Page/papers.html](http://www.stern.nyu.edu/~adamodar/New_Home_Page/papers.html).

Damodaran, A., 1999, *The Treatment of R&D*, Working paper, [www.stern.nyu.edu/~adamodar/New\\_Home\\_Page/papers.html](http://www.stern.nyu.edu/~adamodar/New_Home_Page/papers.html).

## **Chapter 10: From Earnings to Cashflows**

Brennan, M.J., 1970, "Taxes, Market Valuation and Corporation Financial Policy", National Tax Journal, 417-427

Graham, J.R., *How big are the tax benefits of debt?*, Journal of Finance, v55(5), 1901-1941.

Graham, J.R., *Proxies for the Corporate Marginal Tax Rate*, Journal of Financial Economics, v42(2), 187-221.

## **Chapter 11: Estimating Growth**

Arnott, R.D., 1985, *The Use and Misuse of Consensus Earnings*, Journal of Portfolio Management. 18-27.

Bathke, A.W., Jr. and K.S. Lorek, 1984, *The Relationship between Time-Series Models and the Security Market's Expectation of Quarterly Earnings*, The Accounting Review, 163-176.

Box, G. and G. Jenkins, 1976, *Time Series Analysis: Forecasting and Control*, Holden Day.

Brown, L.D. and M.S. Rozeff, 1979, *Univariate Time Series Models of Quarterly Accounting Earnings per share: A Proposed Model*, Journal of Accounting Research, 178-189.

Brown, L.D. and M.S. Rozeff, 1980, *Analysts can forecast accurately!*, Journal of Portfolio Management, v6, 31-34.

Collins, W. and W. Hopwood, 1980, *A Multivariate Analysis of Annual Earnings Forecasts generated from Quarterly Forecasts of Financial Analysts and Univariate Time Series Models*, Journal of Accounting Research.

Cragg, J.G., and B.G. Malkiel, 1968, *The Consensus and Accuracy of Predictions of the Growth of Corporate Earnings*, Journal of Finance, v23, 67-84.

Crichfield, T., T. Dyckman and J. Lakonishok, 1978, *An Evaluation of Security Analysts Forecasts*, Accounting Review.

Foster, G., 1977, *Quarterly Accounting Data: Time Series Properties and Predictive Ability Results*, The Accounting Review.

Fried, D. and D. Givoly, 1982, *Financial Analysts Forecasts of Earnings: A Better Surrogate for Earnings Expectations*, Journal of Accounting and Economics, 85-107.

Fuller, R.J., L.C. Huberts and M. Levinson, 1992, *Its not Higgledy-Piggledy Growth!* Journal of Portfolio Management, 38-46.

Givoly, D. and J. Lakonishok, 1984, *The Quality of Analysts' Forecasts of Earnings*, Financial Analysts Journal, v40, 40-47.

Hawkins, E.H., S.C. Chamberlin and W.E. Daniel, 1984, *Earnings Expectations and Security Prices*, Financial Analysts Journal, v40, 24-27, 30-38, 74.

Little, I.M.D., 1962, *Higgledy Piggledy Growth*, Institute of Statistics, Oxford.

O'Brien, P., 1988, *Analyst's Forecasts as Earnings Expectations*, Journal of Accounting and Economics.

Vander Weide, J.H., and W.T. Carleton, 1988, *Investor Growth Expectations: Analysts Vs. History*, Journal of Portfolio Management, v14, 78-83.

Watts, R., 1975, *The Time Series Behavior of Quarterly Earnings*, Working Paper, University of Newcastle.

## **Chapter 12: Closure in Valuation**

Altman, E.I., 1968, *Financial Ratios, Discriminant Analysis and the Prediction of Corporate Bankruptcy*, Journal of Finance, v23, pp 589-609.

Grant, R.M., 1998, *Contemporary Strategy Analysis*, Blackwell.

Mauboussin, M. and P. Johnson, *Competitive Advantage Period: The Neglected Value Driver*, Financial Management, 26(2), 67-74.

Porter, M.E., 1980, *Competitive Strategy: Techniques for analyzing Industries and Competitors*, Free Press, New York.

## **Chapter 13: Dividend Discount Models**

Bethke, W.M. and S.E. Boyd, 1983, *Should Dividend Discount Models be Yield-Tilted?*, Journal of Portfolio Management, v9, 23-27.

Estep, T., 1987, *Security Analysis and Stock Selection: Turning Financial Information into Return Forecasts*, Financial Analysts Journal, v43, 34-43.

Estep, T., 1985, *A New Method for Valuing Common Stocks*, Financial Analysts Journal.

Fuller, R.J. and C. Hsia, 1984, *A Simplified Common Stock Valuation Model*, Financial Analysts Journal, v40, 49-56.

Gordon, M., 1962, *The Investment, Financing and Valuation of the Corporation*, Irwin & Co.

Haugen, R., 1997, *Modern Investment Theory*, Prentice Hall, New Jersey.

Jacobs, B.I. and K.N. Levy, 1988a, *Disentangling Equity Return Irregularities: New Insights and Investment Opportunities*, Financial Analysts Journal, Vol 44, 18-44.

Jacobs, B.I. and K.N. Levy, 1988b, *On the Value of 'Value'*, Financial Analysts Journal, Vol 44, 47-62.

Litzenberger, R.H. and K. Ramaswamy, 1979, *The Effect of Personal Taxes and Dividends on Capital Asset Prices: Theory and Empirical Evidence*, Journal of Financial Economics, v7, 163-196.

Sorensen, E.H. and D.A. Williamson, 1985, *Some Evidence on the Value of the Dividend Discount Model*, Financial Analysts Journal, v41, 60-69.

## **Chapter 14: Free Cashflow to Equity Models**

Damodaran, A., 2001, *Corporate Finance: Theory and Practice*, Second Edition, John Wiley and Sons, New York.

## **Chapter 15: Firm Valuation**

Altman, E.I. and V. Kishore, 2000, *The Default Experience of U.S. Bonds*, Working Paper, Salomon Center, New York University.

Barclay, M.J., C.W. Smith and R.L. Watts, 1995, The Determinants of Corporate Leverage and Dividend Policies, *Journal of Applied Corporate Finance*, v7(4), 4-19.

Bhide, A., 1993, *Reversing Corporate Diversification*, in *The New Corporate Finance-Where Theory meets Practice*, ed. D.H. Chew Jr., McGraw Hill.

Damodaran, A., 2001, *Corporate Finance: Theory and Practice*, Second Edition, John Wiley and Sons, New York.

Davis, D. and K. Lee, 1997, *A Practical Approach to Capital Structure for Banks*, *Journal of Applied Corporate Finance*, v10(1), 33-43.

Denis, David J. and Diane K. Denis. *Leveraged Recaps In The Curbing Of Corporate Overinvestment*, *Journal of Applied Corporate Finance*, 1993, v6(1), 60-71.

Graham, J., 1996, *Debt and the Marginal Tax Rate*, *Journal of Financial Economics*, v41, 41-73.

Inselbag, I. and H. Kaufold, 1997, *Two DCF Approaches and Valuing Companies under Alternative Financing Strategies*, *Journal of Applied Corporate Finance*, v10(1), 115-122.

Jensen, M.C., *Agency Costs of Free Cash Flow, Corporate Finance, and Takeovers*, *American Economic Review*, v76, 323-329.

Kaplan, S.N., 1989, *Campeau's Acquisition of Federated: Value Destroyed or Value Added*, *Journal of Financial Economics*, v25, 191-212.

Mackie-Mason, Jeffrey, 1990, *Do taxes affect corporate financing decisions?*, *Journal of Finance*, v45, 1471-1494.

Miller, M., 1977, *Debt and Taxes*, *Journal of Finance*, v32, 261-275.

Modigliani, F. and M. Miller, 1958, *The Cost of Capital, Corporation Finance and the Theory of Investment*, *American Economic Review*, v48, 261-297.

Myers, S.C. and N.S. Majluf, 1984, *Corporate Financing and Investment Decisions when Firms have Information that Investors do not have*, *Journal of Financial Economics*, v13, 187-221.

Myers, S.C., *Determinants of Corporate Borrowing*, *Journal of Financial Economics*, v5, 147-175.

Opler, T., M. Saron and S. Titman, 1997, *Designing Capital Structure to Create Stockholder Value*, *Journal of Applied Corporate Finance*, v10, 21-32.

Palepu, K. G., *Consequences of Leveraged Buyouts*, *Journal of Financial Economics*, v26, 247-262.

Palepu, Krishna G., *Predicting Takeover Targets: A Methodological And Empirical Analysis*, *Journal of Accounting and Economics*, 1986, v8(1), 3-35.

Pinegar, J. Michael and Lisa Wilbricht. 1989, *What Managers Think Of Capital Structure Theory: A Survey*, *Financial Management*, v18(4), 82-91.

Shapiro, A., 1989, *Modern Corporate Finance*, Macmillan, New York.

Smith, A.J., 1990, *Corporate Ownership Structure and Performance: The Case of Management Buyouts*, *Journal of Financial Economics*, v27, 143-164.

Smith, C.W., 1986, *Investment Banking and the Capital Acquisition Process*, *Journal of Financial Economics*, v15, 3-29.

Titman, S., 1984, *The Effect of Capital Structure on a Firm's Liquidation Decision*, *Journal of Financial Economics*, v13, 1371-51.

Warner, J.N., 1977, *Bankruptcy Costs: Some Evidence*, *Journal of Finance*, v32, 337-347.



### **Chapter 16: Estimating Equity Value per share**

Cuny, C.C. and P. Jorion, 1995, Valuing Executive Stock Options with Endogenous Departure, *Journal of Accounting and Economics*, v20, 193-205.  
Carpenter, J., 1998, *The Valuation of Executive Stock Options*, *Journal of Finance*, v  
Damodaran, A., 1999, *Dealing with Cash, Marketable Securities and Cross Holdings*, Working paper, [www.stern.nyu.edu/~adamodar/New\\_Home\\_Page/papers.html](http://www.stern.nyu.edu/~adamodar/New_Home_Page/papers.html).  
Lease, R.C., J.J. McConnell and W.H. Mikkelsen, 1983, *The Market Value of Control in Publicly-Traded Corporations*, *Journal of Financial Economics*, v11, 439-471.

### **Chapter 17: Fundamental Principles of Relative Valuation**

Damodaran, A., 2001, *Its all Relative: First Principles of Relative Valuation*, Working paper, [www.stern.nyu.edu/~adamodar/New\\_Home\\_Page/papers.html](http://www.stern.nyu.edu/~adamodar/New_Home_Page/papers.html).

### **Chapter 18: Earnings Multiples**

Cragg, J.G., and B.G. Malkiel, 1968, *The Consensus and Accuracy of Predictions of the Growth of Corporate Earnings*, *Journal of Finance*, v23, 67-84.  
Goodman, D.A. and J.W. Peavy, III., 1983, *Industry Relative Price-Earnings Ratios as Indicators of Investment Returns*, *Financial Analysts Journal*, v39, 60-66.  
Kisor, M., Jr., and V.S. Whitbeck, 1963, *A New Tool in Investment Decision-Making*, *Financial Analysts Journal*, v19, 55-62.  
Leibowitz, M.L. and S. Kogelman, 1992, *Franchise Value and the Growth Process*, *Financial Analysts Journal*, 53-62.  
Levy, H. and Z. Lerman, *Testing P/E Ratio Filters with Stochastic Dominance*, *Journal of Portfolio Management*, v11, 31-40.  
Peters, D.J., 1991, *Valuing a Growth Stock*, *Journal of Portfolio Management*, 49-51.

### **Chapter 19: Book Value Multiples**

Capaul, C., I. Rowley and W.F. Sharpe, 1993, *International Value and Growth Stock Returns*, *Financial Analysts Journal*, 27-36.  
Chan, L.K., Y. Hamao, and J. Lakonishok, 1991, *Fundamentals and Stock Returns in Japan*, *Journal of Finance*, v46, 1739-1789.  
Jacobs, B.I. and K.N. Levy, 1988b, *On the Value of 'Value'*, *Financial Analysts Journal*, v44, 47-62.  
Lang, L.H.P., R.M. Stulz and R.A. Walkling, 1991, *A Test of the Free Cash Flow Hypothesis: The Case of Bidder Returns*, *Journal of Financial Economics*, v29, pp 315-335.  
Porter, M.E., 1980, *Competitive Strategy: Techniques for analyzing Industries and Competitors*, Free Press, New York.  
Porter, M.E., 1980, *Competitive Strategy: Techniques for analyzing Industries and Competitors*, Free Press, New York  
Wilcox, J.W., *The P/B-ROE Valuation Model*, *Financial Analysts Journal*, v40, 58-66.

### **Chapter 20: Revenue Multiples**

Hiroiyumi Itami, 1987, *Mobilizing Invisible Assets*, Boston, Harvard University Press.  
Jacobs, B.I. and K.N. Levy, 1988a, *Disentangling Equity Return Irregularities: New Insights and Investment Opportunities*, *Financial Analysts Journal*, v44, 18-44.

Senchack, A.J., Jr., and J.D. Martin, 1987, *The Relative Performance of the PSR and PER Investment Strategies*, Financial Analysts Journal, v43, 46-56.

### **Chapter 21: Valuing Financial Service Firms**

Copeland, T.E., T. Koller and J. Murrin, 1999, *Valuation: Measuring and Managing the Value of Companies*, John Wiley and Sons.

### **Chapter 22: Valuing Negative Earnings Firms**

Damodaran, A., 2001, Dealing with Negative Earnings, Working Paper, [www.stern.nyu.edu/~adamodar/New\\_Home\\_Page/papers.html](http://www.stern.nyu.edu/~adamodar/New_Home_Page/papers.html).

### **Chapter 23: Valuing Young and Start-up Firms**

Damodaran, A 2001, *The Dark Side of Valuation*, Prentice Hall.

### **Chapter 24: Valuing Private Companies**

Beaver, W. H., P. Kettler and M. Scholes, 1970, *The Association Between Market Determined And Accounting Determined Risk Measures*, The Accounting Review, v45(4), 654-682.

Kim, S.H., T. Crick and S.H. Kim, 1986, *Do Executives Practice what Academics Preach?*, Management Accounting, Vol 68, 49-52.

Pratt, S. R.F. Reilly and R.P. Schweihs, 2000, *Valuing a Business: The Analysis and Appraisal of Closely Held Companies*, McGraw Hill.

Rosenberg, B. and J. Guy. 1976, *Beta And Investment Fundamentals - II*, Financial Analyst Journal, v32(4), 62-70.

Rosenberg, B. and J. Guy. 1976, *Beta And Investment Fundamentals*, Financial Analyst Journal, v32(3), 60-72.

Rosenberg, B. and J. Guy. 1995, *Prediction Of Beta From Investment Fundamentals*, Financial Analyst Journal, v51(1), 101-112.

Silber, W.L., 1991, *Discounts on Restricted Stock: The Impact of Illiquidity on Stock Prices*, Financial Analysts Journal, 60-64.

### **Chapter 25: Valuing acquisitions**

Bhide, A., 1989, *The Causes and Consequences of Hostile Takeovers*, Journal of Applied Corporate Finance, v2, 36-59.

Bhide, A., 1993, *Reversing Corporate Diversification*, in *The New Corporate Finance- Where Theory meets Practice*, ed. D.H. Chew Jr., McGraw Hill.

Bradley, M., A. Desai and E.H. Kim, 1983, *The Rationale behind Interfirm Tender Offers*, Journal of Financial Economics, v11, 183-206.

Bradley, M., A. Desai and E.H. Kim, 1988, *Synergistic Gains from Corporate Acquisitions and their Division between the Stockholders of Target and Acquiring Firms*, Journal of Financial Economics, v21, 3-40.

Dann, L.Y. and H. DeAngelo, 1983, *Standstill Agreements, Privately Negotiated Stock Repurchases, and the Market for Corporate Control*, Journal of Financial Economics, v11, 275-300.

Dann, L.Y. and H. DeAngelo, 1988, *Corporate Financial Policy and Corporate Control: A study of Defensive Adjustments in Asset and Ownership Structure*, Journal of Financial Economics, v20, 87-128.

DeAngelo, H. and E.M. Rice, 1983, *Antitakeover Charter Amendments and Stockholder Wealth*, Journal of Financial Economics, v11, 329-360.

DeAngelo, H., L. DeAngelo and E.M. Rice, 1984, *Going Private: The Effects of a change in Corporate Ownership Structure*, Midland Corporate Finance Journal, 35-43.

Deng, Z. and B. Lev, 1998, *The Valuation of Acquired R&D*, Working Paper, New York University.

Dubofsky, P. and P.R. Varadarajan, 1987, *Diversification and Measures of Performance: Additional Empirical Evidence*, Academy of Management Journal, 597-608.

Fruhan, W.E., W.C. Kester, S.P. Mason, T.R. Piper and R.S. Ruback, 1992, *Congloeam*, Case Problems in Finance, Irwin.

Healy, P.M., K.G. Palepu and R.S. Ruback, 1992, *Does Corporate Performance improve after Mergers?*, Journal of Financial Economics, v31, 135-176.

Hong, Hai, Robert S. Kaplan and Gershon Mandelker. *Pooling Vs. Purchase: The Effects Of Accounting For Mergers On Stock Prices*, The Accounting Review, 1978, v53(1), 31-47.

Jarrell, G.A., J.A. Brickley and J.M. Netter, 1988, *The Market for Corporate Control: The Empirical Evidence since 1980*, Journal of Economic Perspectives, v2, 49-68.

Jensen, M.C. and R.S. Ruback, 1983, *The Market for Corporate Control*, Journal of Financial Economics, v11, 5-50.

Jensen, M.C., 1986, *Agency Costs of Free Cashflow, Corporate Finance and Takeovers*, American Economic Review, v76, 323-329.

Kaplan, S. and M.S. Weisbach, 1992, *The Success of Acquisitions: The Evidence from Divestitures*, Journal of Finance, v47, 107-138.

Karpoff, J.M. and P.H. Malatesta, 1990, *The Wealth Effects of Second-Generation State Takeover Legislation*, Journal of Financial Economics, v25, 291-322.

KPMG, 1999, *Unlocking Shareholder Value: The Keys to Success*, KPMG Global Research Report.

Lewellen, W.G., 1971, *A Pure Financial Rationale for the Conglomerate Merger*, Journal of Finance, v26, 521-537.

Lindenberg, E. and M.P. Ross, 1999, *To Purchase or to Pool: Does it Matter?*, Journal of Applied Corporate Finance, v 12, 32-47.

Linn, S. and J.J. McConnell, 1983, *An Empirical Investigation of the Impact of Anti-Takeover Amendments on Common Stock Prices*, Journal of Financial Economics, v11, 361-399.

Michel, A. and I. Shaked, 1984, *Does Business Diversification affect Performance?*, Financial Management, Vvol 13, 5-14.

Mitchell, M.L. and K. Lehn, 1990, *Do Bad Bidders make Good Targets?*, Journal of Applied Corporate Finance, v3, 60-69.

Myers, S.C. and N.S. Majluf, 1984, *Corporate Financing and Investment Decisions when Firms have Information that Investors do not have*, Journal of Financial Economics, v13, 187-221.

Nail, L.A. , W.L. Megginson and C. Maqueira, 1998, *Wealth Creation versus Wealth Redistributions in Pure Stock-for-Stock Mergers*, Journal of Financial Economics, v48, 3-33.

Parrino, J.D. and R.S. Harris, *Takeovers, Management Replacement and Post-Acquisition Operating Performance: Some Evidence from the 1980s*, Journal of Applied Corporate Finance, v11, 88-97.

Sirower, M.L., 1996, *The Synergy Trap*, Simon & Schuster.

Stapleton, R.C., 1985, *A Note on Default Risk, Leverage and the MM Theorem*, Journal of Financial Economics, v2, 377-381.

Varadarajan, P.R., and V. Ramanujam, 1987, *Diversification and Performance: A Reexamination using a new two-dimensional conceptualization of diversity in firms*, Academy of Management Journal, v30, 369-380.

Gaughan, P.A., 1999, *Mergers, Acquisitions and Corporate Restructurings*, John Wiley & Sons.

Weston, J.F., K.S. Chung and J.A. Siu, 1998, *Takeovers, Restructuring and Corporate Governance*, Simon and Schuster.

Krallinger, J.C., 1997, *Mergers and Acquisitions: Managing the Transaction*, McGraw-Hill.

#### **Chapter 26: Valuing real estate**

Fama, E.F. and G.W. Schwert, 1977, *Asset Returns and Inflation*, Journal of Financial Economics, v5, 115-146.

Ibbotson and Brinson, 1993, *Global Investing*, McGraw-Hill, New York.

#### **Chapter 27: Valuing unconventional assets**

Mei, J. and M. Moses, 2001, *Art as an Investment and the Underperformance of Masterpieces: Evidence from 1875-2000*, Working Paper, Stern School of Business.

#### **Chapter 28: The Option to Delay**

Avellaneda, M. and P. Lawrence, 2000, *Quantitative Modeling of Derivative Securities*, Chapman and Hall.

Brennan, M.J. and E.S. Schwartz, 1985, "Evaluating Natural Resource Investments," Journal of Business, v58, 135-158.

Siegel, D., J. Smith and J. Paddock, 1993, "Valuing Offshore Oil Properties with Option Pricing Models," in *The New Corporate Finance*, ed. D.H. Chew, Jr., McGraw Hill.

#### **Chapter 29: The Option to Expand**

Amram, M. and N. Kulatilaka, 1998, *Real Options: Managing Strategic Investments in an Uncertain World*, Oxford University Press.

Mauboussin, M., 1998, *Get Real*, Credit Suisse First Boston.

Copeland, T.E. and V. Antikarov, 2001, *Real Options: A Practitioners Guide*, Texere.

#### **Chapter 30: The Liquidation Option**

Copeland, T.E. and V. Antikarov, 2001, *Real Options: A Practitioners Guide*, Texere.

#### **Chapter 31: DCF Value Enhancement**

Rappaport, A., 1998, *Creating Shareholder Value*, The Free Press, New York.

Copeland, T.E., T. Koller and J. Murrin, 1999, *Valuation: Measuring and Managing the Value of Companies*, John Wiley and Sons.

Damodaran, A., 1999, *Value Enhancement: Back to the Future*, Contemporary Finance Digest.

Fruhan, W.E., 1979, *Financial Strategy: Studies in the Creation, Transfer and Destruction of Shareholder Value*, Homewood, Ill., Irwin.

Grant, R.M., 1998, *Contemporary Strategy Analysis*, Blackwell.

McConnell, J.J. and C.J. Muscarella, 1985, *Corporate Capital Expenditure Decisions and the Market Value of the Firm*, Journal of Financial Economics, v14, 399-422.

Schipper, K. and A. Smith, 1983, *Effects of Recontracting on Shareholder Wealth: The Case of Voluntary Spin-Offs*, Journal of Financial Economics, v12, 437-468.

Schipper, K. and A. Smith, 1986, *A Comparison of Equity Carve-Outs and Seasoned Equity Offerings: Share Price Effects and Corporate Restructuring*, Journal of Financial Economics, v15, 153-186.

Shapiro, A., 1985, *Corporate Strategy and the Capital Budgeting Decision*, Midland Corporate Finance Journal, 22-36.

Shapiro, A., 1989, *Modern Corporate Finance*, Macmillan, New York.

Weston, J.F. and T.E. Copeland, 1992, *Managerial Finance*, Ninth Edition, Harcourt Brace Jovanovich.

Woolridge, R., 1993, *Competitive Decline and Corporate Restructuring*, in The New Corporate Finance, ed. D.H. Chew, Jr..

### **Chapter 32: EVA, CFROI and other Value Enhancement Measures**

Bernstein, R., 1997, *EVA and Market Returns*, Merrill Lynch, December 19, 1997.

Bernstein, R., 1997, *EVA and Market Returns*, Merrill Lynch, February 3, 1998.

Brickley, J., C. Smith and J. Zimmerman, 1995, *Transfer Pricing and the Control of Internal Corporate Transactions*, Journal of Applied Corporate Finance, v8(2), 60-67.

Ehrbar, A., 1998, *EVA: The Real Key to Creating Wealth*, John Wiley & Sons, New York.

Kramer, J.R. and G. Pushner, 1997, *An Empirical Analysis of Economic Value Added as a proxy for Market Value Added*, Financial Practice and Education, v7, 41-49.

Madden, B.L., 1998, *CFROI Cash Flow Return on Investment Valuation: A Total System Approach to Valuing a Firm*, Butterworth-Heinemann.

O'Byrne, S.F., 1996, *EVA and Market Value*, Journal of Applied Corporate Finance, v9(1), 116-125.

O'Byrne, S.F. and S.D. Young, 2000, *EVA and Value-Based Management*, McGraw Hill.

Stewart, M.L., 1990, *The Quest for Value*, Harper, New York.

Stulz, R., 1996, *Rethinking Risk Management*, Journal of Applied Corporate Finance, v9(3), 8-24.

### **Chapter 33: Fixed Income Securities**

Atkinson, T.R., 1967, *Trends in Corporate Bond Quality*, National Bureau of Economic Research.

Brennan, M.J. and E. S. Schwartz, 1977, *Savings Bonds, Retractable Bonds and Callable Bonds*, Journal of Financial Economics, v5, 67-88.

Brennan, M.J. and E. S. Schwartz, 1980, *Analyzing Convertible Bonds*, Journal of Financial and Quantitative Analysis, v15, 907-929.

Fabozzi, F.J., 1994, *Investment Management*, Prentice Hall.

Fama, E.F., 1975, *Short Term Interest Rates as Predictors of Inflation*, American Economic Review, pp 269-282.

Figlewski, S., W.L. Silber and M.G. Subrahmanyam, 1990, *Financial Options*, Business One Irwin.

Fraine, H.G., and R.H. Mills, 1961, *Effect of Defaults and Credit Deterioration on Yields of Corporate Bonds*, Journal of Finance, v16, 423-434.

Harvey, C.R., 1988, *The Real Term Structure and Consumption Growth*, Journal of Financial Economics, v22, pp 305-333.

Hempel, G.H., 1971, *The Postwar Quality of State and Local Debt*, National Bureau of Economic Research.

Hickman, W.B., 1958, *Corporate Bond Quality and Investor Experience*, National Bureau of Economic Research.

Hicks, J.R., 1946, *The Value of Capital*, Oxford University Press.

Ho, T.S.Y. and S.B.Lee, 1989, *Pricing of the Call and Sinking Fund Provisions on Corporate Bonds under Interest Rate Risk: Empirical Evidence*, International Journal of Finance, v2, 1-17.

Ingersoll, J., 1977, *An Examination of Corporate Call Policies on Convertible Securities*, Journal of Finance, v32, pp 463-478.

Johnson, R.E., 1967, *Term Structures of Corporate Bond Yields as a Function of the Risk of Default*, Journal of Finance, v22, 313-345.

McCulloch, J.H., 1975, *An Estimate of the Liquidity Premium*, Journal of Political Economy, pp 95-119.

Meiselman, D., 1962, *The Term Structure of Interest Rates*, Prentice Hall.

Park, S.Y. and M.G. Subrahmanyam, 1990, *Option Features of Corporate Securities*, in *Financial Options*, Business One Irwin.

Sarig, O. and A.Warga, 1989, *Some Empirical Estimate of the Term Structure of Interest Rates*, Journal of Finance, v44, pp 1351-1360.

Van Horne, J.C., 1965, *Interest-Rate Risk and the Term Structure of Interest Rates*, Journal of Political Economy, v73, pp 344-351.

Wood, J.H. and N.L.Wood, 1985, *Financial Markets*, Harcourt Brace Jovanovich

#### **Chapter 34: Futures and Forwards**

Hull, J.C., 1999, *Options, Futures and Derivative Securities*, Prentice Hall.

#### **Chapter 35: The Grand Finale**

Damodaran, A., 2001, *Choosing the Right Valuation Model*, Working paper, [www.stern.nyu.edu/~adamodar/New\\_Home\\_Page/papers.html](http://www.stern.nyu.edu/~adamodar/New_Home_Page/papers.html).