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Altri autori (Persone)	GrabowskiRoger J
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Nota di contenuto	Cost of Capital: Applications and Examples; Contents; About the Authors; Foreword; Preface; Acknowledgments; Part One: Cost of Capital Basics; Chapter 1: Defining Cost of Capital; Introduction; Components of a Capital Structure; Cost of Capital Is a Function of the Investment; Cost of Capital Is Forward-looking; Cost of Capital Is Based on Market Value; Cost of Capital Is Usually Stated in Nominal Terms; Cost of Capital Equals the Discount Rate; Discount Rate Is Not the Same as Capitalization Rate; Standard (Basis) of Value; Summary Chapter 2: Introduction to Cost of Capital Applications: Valuation, Project Selection, and Ratemaking Introduction; Net Cash Flow Is the Preferred Economic Income Measure; Cost of Capital Is the Proper Discount Rate; Present Value Formula; Example: Valuing a Bond; Applications to Businesses, Business Interests, and Capital Budgeting Projects; Applications in Ratemaking; Summary; Chapter 3: Net Cash Flow: The Preferred Measure of Economic Income; Introduction; Defining Net Cash Flow; Net Cash Flow to Common Equity Capital; Net

Cash Flow to Invested Capital

Net Cash Flows Should Be Probability-weighted Expected Values Why
Net Cash Flow Is the Preferred Measure of Economic Income; Summary;
Additional Reading; Appendix 3A: Alternative Measures of Economic
Income; Introduction; Capital Cash Flow; Adjusted Present Value;
Residual Income; Chapter 4: Discounting versus Capitalizing;
Introduction; Capitalization Formula; Example: Valuing a Preferred
Stock; Functional Relationship between Discount Rate and
Capitalization Rate; Major Difference between Discounting and
Capitalizing; Constant Growth or Gordon Growth Model
Criticisms of the Gordon Growth Model Combining Discounting and
Capitalizing; Two-stage Model; Three-stage Model; Three-stage Model
with Gradual Change in Growth; Equivalency of Discounting and
Capitalizing Models; Summary; Appendix 4A: Equivalency of
Capitalizing Residual Income; Chapter 5: Discounting-Beyond the
Basics; Introduction; Midyear Convention; Midyear Discounting
Convention; Midyear Capitalization Convention; Midyear Convention in
the Two-stage Model; Seasonal Businesses; Matching Projection Periods
to Financial Statement Dates: Partial First Year; Changing Risk over
Time
Midyear Convention in Two-stage Model with Changing Risk Duration
of an Investment; Summary; Chapter 6: Relationship between Risk and
the Cost of Capital; Introduction; Defining Risk; How Risk Affects the
Cost of Capital; Valuation of Risky Net Cash Flows; Risk Aversion versus
Risk Neutrality; Market Returns Increase as Risk Increases by Asset
Class; Types of Risk; Maturity Risk; Market Risk; Company-specific
Risk; Liquidity and Marketability Risk; Measuring Riskiness of Net Cash
Flows; ASC 820 Fair Value Measurement: Cash Flows and Present Value
Discount Rates; Summary
Part Two: Estimating the Cost of Equity Capital

Sommario/riassunto

A one-stop shop for background and current thinking on the
development and uses of rates of return on capital Completely revised
for this highly anticipated fifth edition, Cost of Capital contains
expanded materials on estimating the basic building blocks of the cost
of equity capital, the risk-free rate, and equity risk premium. There is
also discussion of the volatility created by the financial crisis in 2008,
the subsequent recession and uncertain recovery, and how those events
have fundamentally changed how we need to interpret the inputs to the
models we use to develop the
