

(c) All rights reserved to Davis & Company, CPA's, Inc. 2004

Davis & Company, CPA's, CVA's

What Are the Ten Most Common Errors Found in Valuation Reports?

1. Failure to define purpose and standard of value
2. Failure to discuss company background, industry, market, competition and economic environment
3. Inadequate financial analysis
4. Mathematical errors
5. Use of formulas with no explanation
6. Failure to define earnings
7. Inconsistent application of discount or capitalization rates
8. Leaps of faith regarding rates, premiums, discounts
9. Improper use of comparable companies
10. Lack of disclosure of information sources