



The Levels of Value

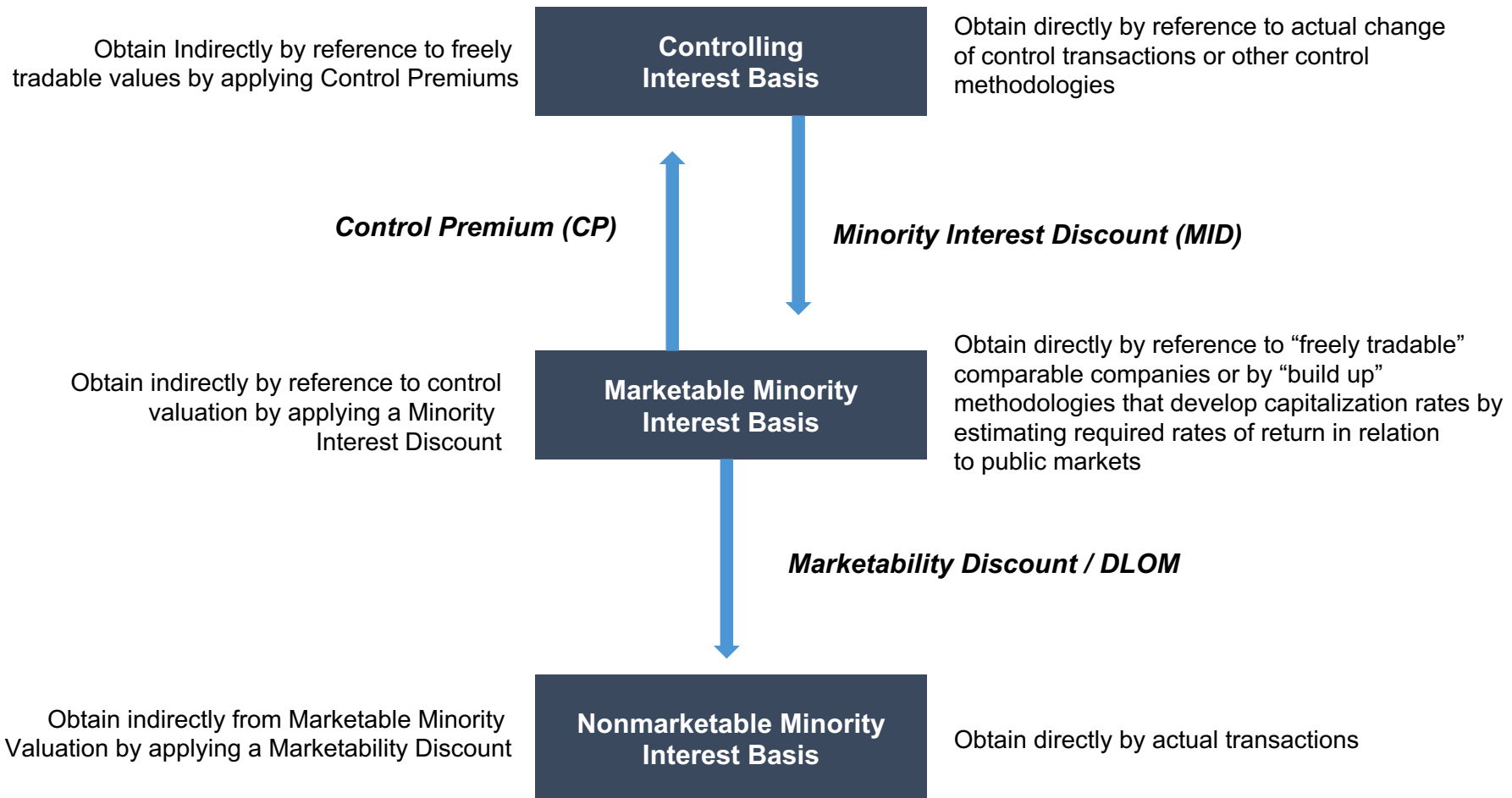
Excerpted from:

Business Valuation: An Integrated Theory Third Edition

by Z. Christopher Mercer, FASA, CFA, ABAR and Travis W. Harms, CFA, CPA/ABV

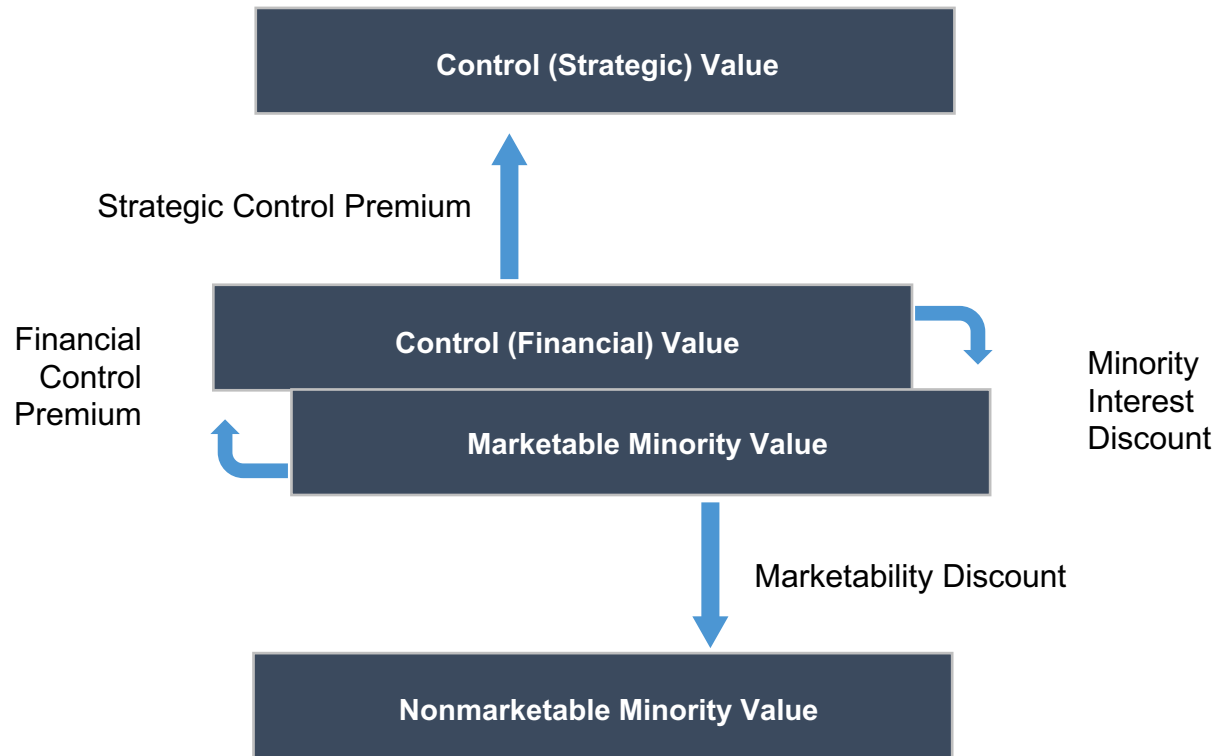
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Original Levels of Value Chart – Circa 1990



Source: *Business Valuation: An Integrated Theory Third Edition - Exhibit 2.4*

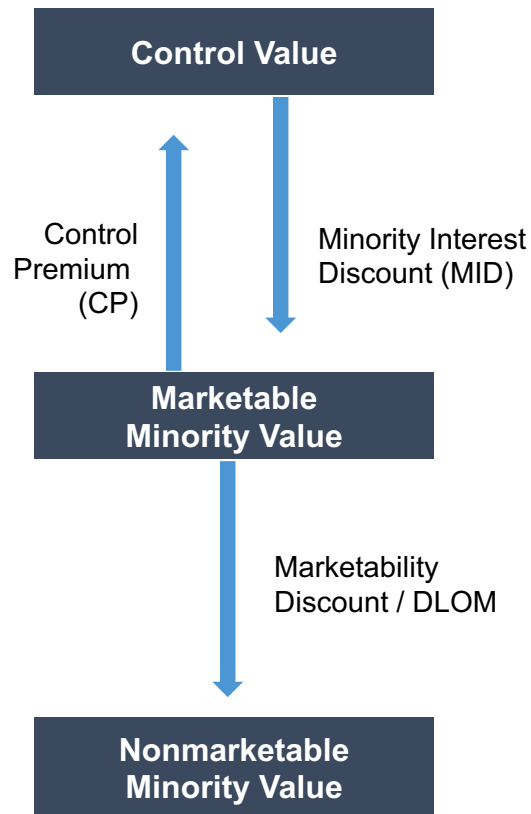
Commonly Accepted Levels of Value – 2020



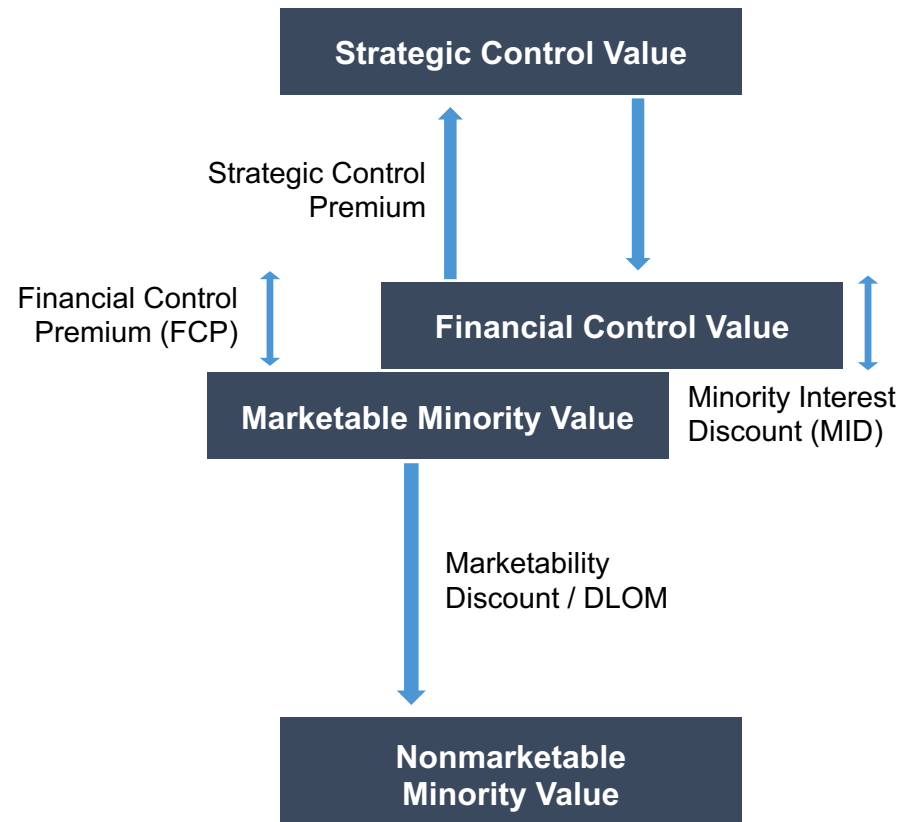
Source: *Business Valuation: An Integrated Theory Third Edition - Exhibit 2.15*

Traditional / Original vs. Current Levels of Value Chart

Traditional/Original



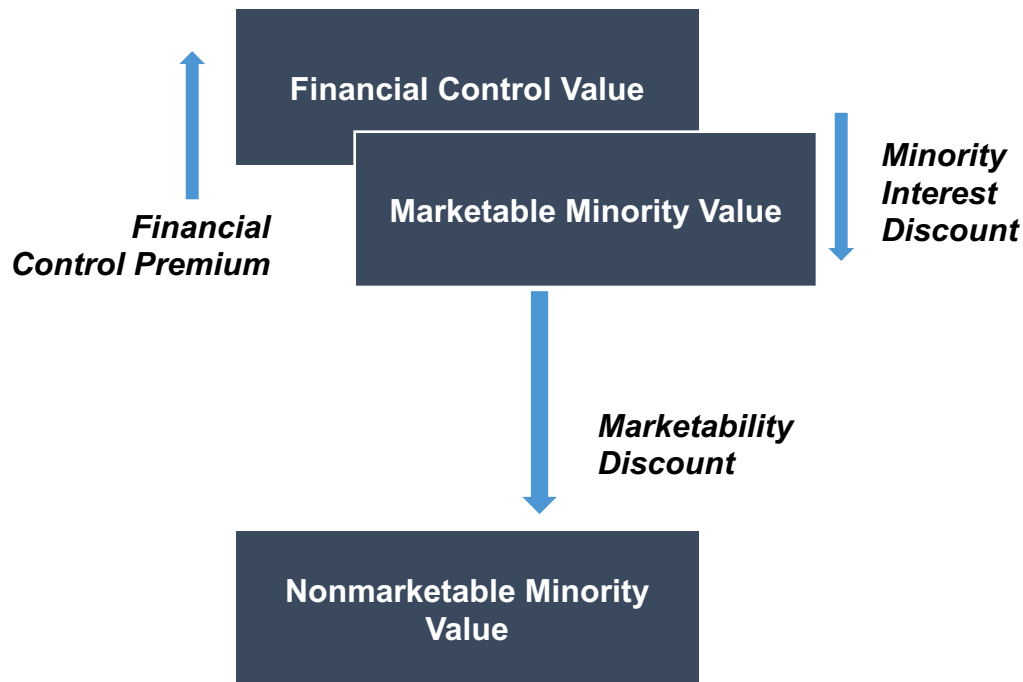
Current /Expanded and Refined



Source: *Business Valuation: An Integrated Theory Third Edition - Exhibit 2.15*

Levels of Value Adapted for Asset Holding Entities

There is No Strategic Control Level for Asset Holding Entities

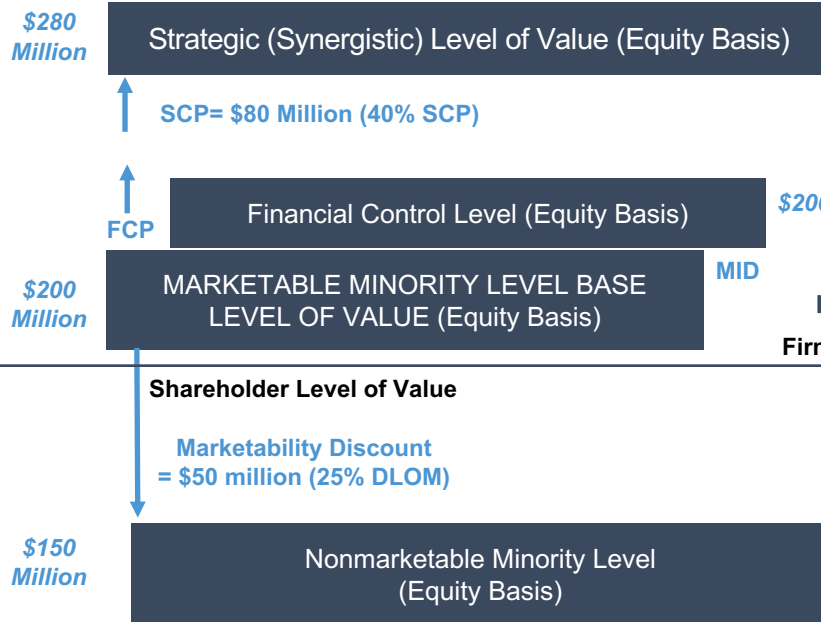


Financial control value for an asset holding entity is equivalent to net asset value (at market values)

Minority interest discounts are typically based on analysis of closed-end funds, which often trade at discounts to their net asset values

Compare Equity and Enterprise Levels of Value

Levels of Value Base on Equity Values



Levels of Value Base on Enterprise Values



Source: *Business Valuation: An Integrated Theory Third Edition - Exhibit 3.3*