**Diversity on the Street: Week 5, Comparable Companies Analysis (Comps) Homework**

**DUE FRIDAY 11/6 at 11:59PM EDT**

**Name:**

**NetID:**

1. **a. How would you value an apple tree?**

**b. How would you value a pen?**

1. **TRUE or FALSE: When doing comps, you can use public and private companies.**

**Explain.**

1. **When selecting comparable companies, what are some similar aspects you want to look for in them in relation to your chosen company?**
2. **List 5 comps for your stock pitch company. For each, jot down: ticker symbol, business description, core sectors, end markets and consumers (age/income level/other demographics), and geography.**
3. **What are the equations for Equity Value and Enterprise Value?**
4. **What does LTM stand for?**
5. **Explain what the EV/EBITDA and P/E multiples tell you. What goes on the numerator and denominator when calculating the P/E multiple?**
6. **Why can’t you have Equity Value/EBITDA?**
7. **Name 2 strengths and 2 weaknesses of comps.**
8. **Read:** [**http://www.streetofwalls.com/finance-training-courses/investment-banking-technical-training/comparable-company-analysis/**](http://www.streetofwalls.com/finance-training-courses/investment-banking-technical-training/comparable-company-analysis/)

**What is something you learned?**

1. **Sign up for a Capital IQ Account with your Cornell email. Spend at least 10 minutes getting familiar with the database, including where to find financial statements, what is included under the Key Stats tab, where to find a company’s description, etc.**