A Mathematical Equation to Calculate Stock Price of Different Growth Model

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Abstract : This paper presents an equation to calculate stock prices of different growth model. This equation is mathematically derived by using discounted cash flow method. It has the advantages of being very easy to use and very accurate. It can still be used even when the first stage is lengthy. This equation is more generalized because it can be used for all the three popular stock price models. It can be programmed into financial calculator or electronic spreadsheets. In addition, it can be extended to a multistage model. It is more versatile and efficient than the traditional methods.
Keywords : stock price, multistage model, different growth model, discounted cash flow method
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