

Linking Business Owners' Choice of Organizational Form to Appraisers' Determination of Value: An Agency Theory Perspective

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Abstract : Determining the value of a privately held firms confound those in academia as well as practitioners in the fields of appraisal, forensic accounting, and law. Divergent parties to the transfer look to apply the valuation technique to serve their own best interests. This paper seeks to explore how agency theory induces owners to choose the form of their businesses at inception and how this choice will affect the appraisers' valuation of the firm at the transfer of ownership.

Keywords : organizational form, agency theory, value

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