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1. *Introduction*

This study provides empirical evidence on the reliability of intrinsic value estimates derived from three theoretically equivalent valuation models: the discounted dividend (*DIV*) model, the discounted free cash flow (*FCF*) model, and the discounted abnormal earnings (*AE*) model. We use *Value Line* (*VL*) annual forecasts of the elements in these models to calculate value estimates for a sample of publicly traded firms followed by *Value Line* during 1989–93.[1] We contrast the reliability of value

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