

# A Conceptual Proposal to Use Appraisal Value as a Supplementary Basis for Financial Valuation

Neil M. Bodoff, FCAS, MAAA

Presented at  
2010 Enterprise Risk Management Symposium  
Society of Actuaries  
April 12-15, 2010

## **Abstract**

This paper argues that no single valuation basis is completely reliable: neither market price nor other alternatives can accurately measure value. Therefore, this paper proposes that a preferable solution is to simultaneously record two bases of valuation: market price and appraisal value. Thus by expanding the dimensionality of financial reporting, one can provide a broader, richer and more accurate measurement of value.

**Keywords:** Valuation; Market Price; Appraisal Value; Financial Reporting.