

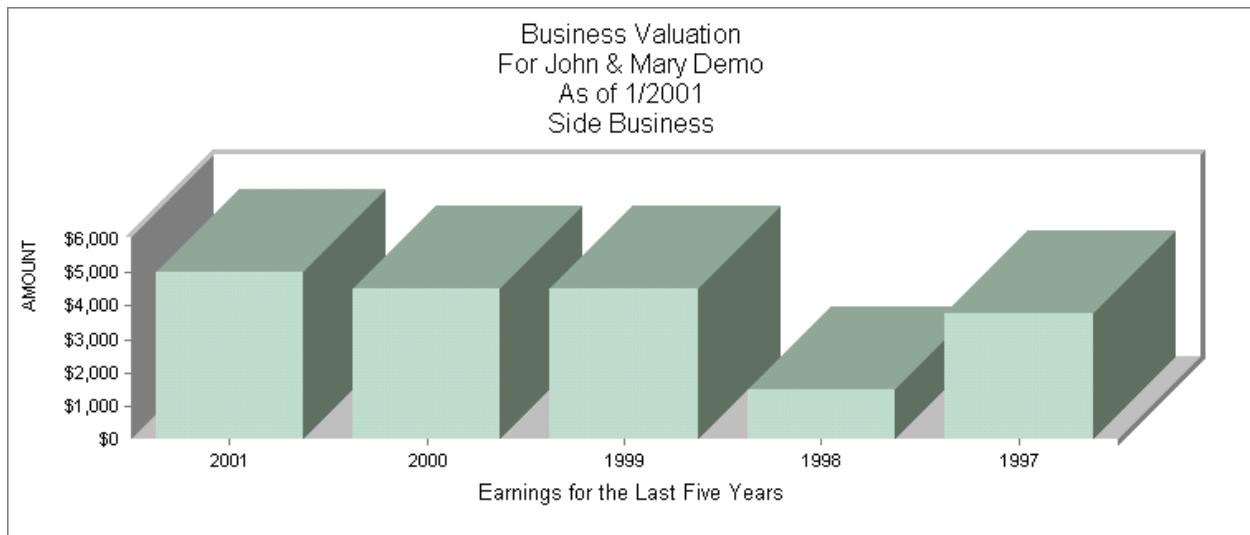
**BUSINESS VALUATION ANALYSIS**  
**For**  
**John and Mary Demo**

Business Name: Side Business

**Business Earnings History:**

<u>Year</u>	<u>Earnings</u>	<u>Weighting Factor</u>
2001	5,000	5
2000	4,500	4
1999	4,500	4
1998	1,500	1
1997	3,760	3

Weighted Average Earnings \$ 4,340



**BUSINESS VALUATION ANALYSIS**  
**For**  
**John and Mary Demo**

**Business Valuation Methods**

1. Book Value	\$	10,000
2. Capitalization Of Earnings		
Weighted Earnings	\$	4,340
Less 15.00% Return On		
Book Value	\$	1,500
Excess Earnings	\$	2,840
Value Of Goodwill		
( 3 X 2,840)	\$	8,520
Plus Book Value	\$	10,000
Value Under This Method	\$	18,520
3. Straight Capitalization Of Earnings		
Average Earnings	\$	4,340
Capitalization At 10.00%		
Value Under This Method	\$	43,400
4. Owner's Estimated Value	\$	20,000

**AVERAGE BUSINESS VALUE** **\$ 22,980**

