

**Panel Discussion**  
**Fair Value & Accounting Estimates**

**Developments in Valuation**  
**A Financial Analyst's View**

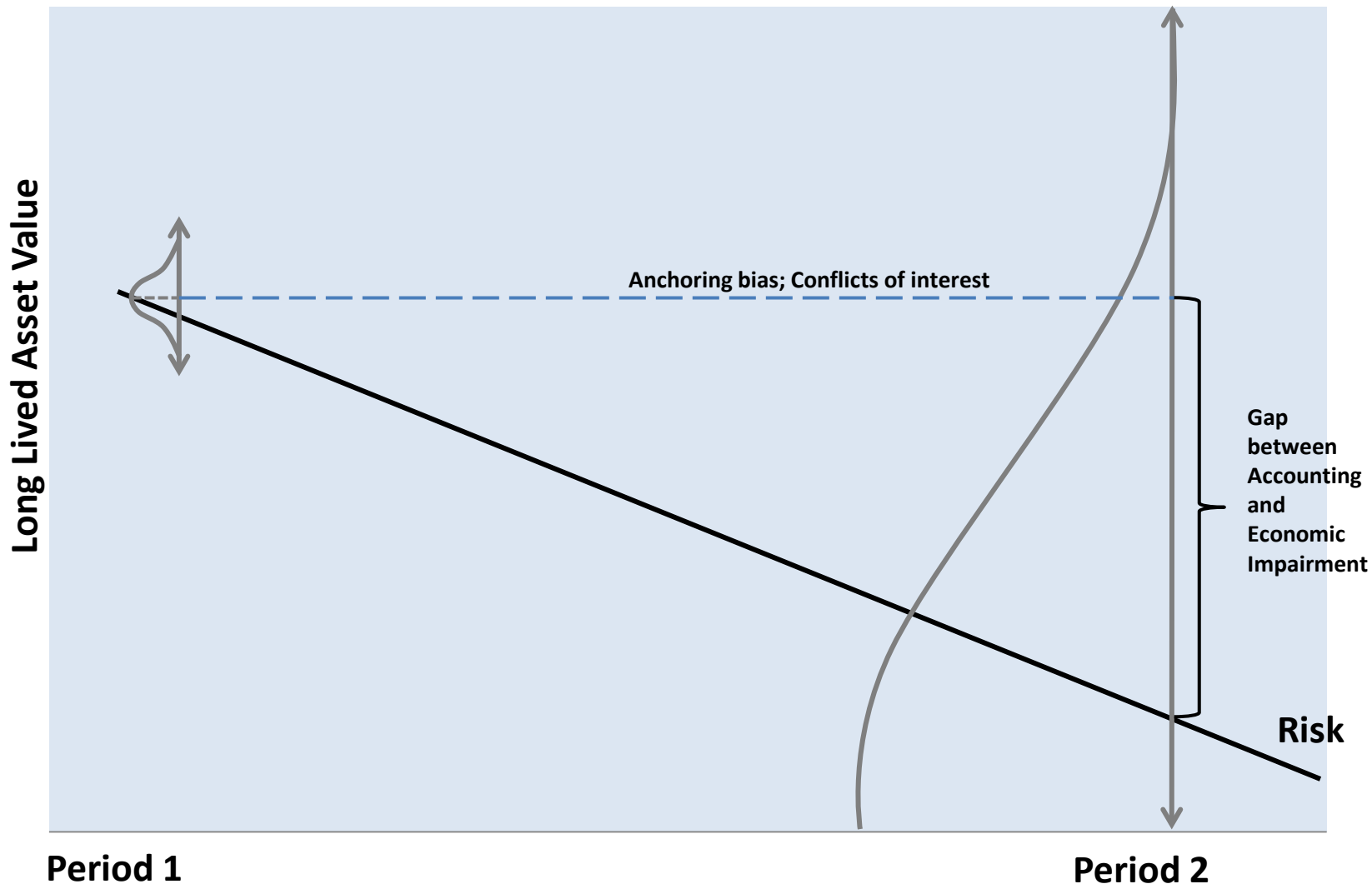
Duff & Phelps Investment Management Co.

Alan Meder, Chief Risk Officer

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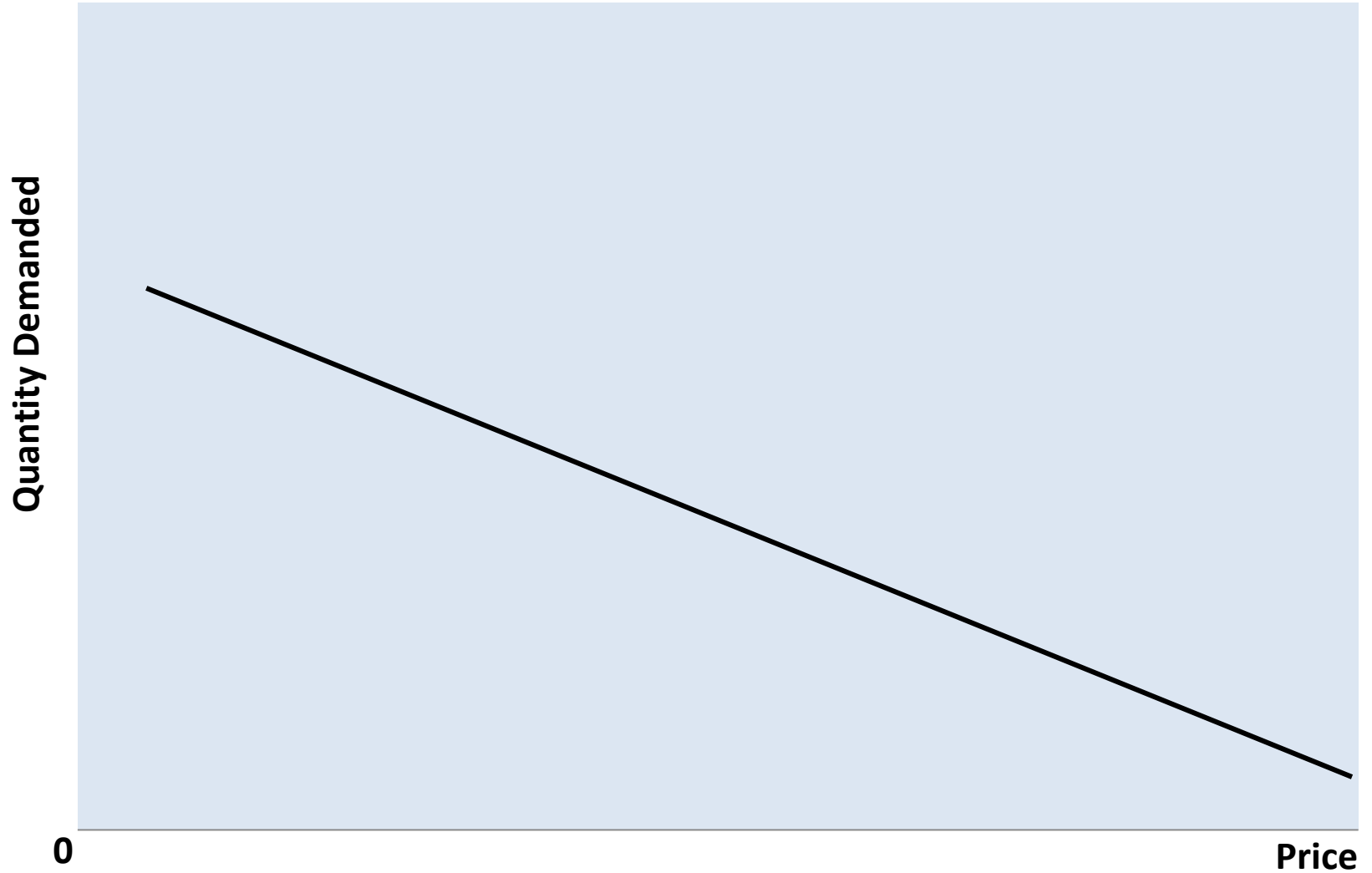
# Nature of Accounting Estimates

## Impairment Charges Lag Economic Results



# Fair Value

Market cleared with an orderly transfer between seller & buyer



# Asset Buyer Worries:

- Sellers have more information
- Will I be stuck with the asset?

## THE MARKET FOR "LEMONS": QUALITY UNCERTAINTY AND THE MARKET MECHANISM

GEORGE A. AKERLOF

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### I. INTRODUCTION

This paper relates quality and uncertainty. The existence of goods of many grades poses interesting and important problems for the theory of markets. On the one hand, the interaction of quality differences and uncertainty may explain important institutions ...

There are many markets in which buyers use some market statistic to judge the quality of prospective purchases. In this case there is incentive for sellers to market poor quality merchandise, ...

# Asset Buyer View

## Transactional Nature of Fair Value

