

ABSTRACT

A FINANCIAL VALUATION STUDY OF DELL, INC.

The computer hardware industry is mature and highly competitive; in fact Dell is one of the few companies still growing. The objective of this thesis is to study the valuation of Dell from the understanding of its strategies and past financial performance and to evaluate its current value given by those prospects. The thesis will begin with the marketing perspective based on Porter's Five Forces theory. Then there will be discussions of current industry, market, and macro economics as a whole to look at Dell's position in the market and what potential opportunities Dell has to grow its future business. Then, based on those understandings and assumptions, several valuation models will be applied to determine the proper value of Dell. The financial results will be discussed and explained to produce a reasonable value based on the business characteristics of Dell and the possible results under different scenarios.

Lai-Ching Kuo
December 2004