

IPO Valuation in Mongolia: Comparing Traditional Approaches and the O95 Model for Improved Prediction

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Abstract

This study evaluates the predictive performance of leading equity valuation methods in the setting of the Mongolian Stock Exchange (MSE), a frontier market characterized by developing regulatory oversight and a limited analytical infrastructure. Using content analysis of 32 IPO valuation reports (2011-2023) prepared by licensed Mongolian valuation firms, we classify and assess the accuracy of discounted cash flow (DCF), dividend discount model (DDM), residual income model (RIM), net asset valuation (NAV), and relative valuation approaches. The empirical results show that the Residual Income Model (RIM) achieves 24.7% prediction accuracy within a 5% error tolerance, while a hybrid model (combining multiple approaches) exhibits stronger predictive capability, reaching 44.9% accuracy within a 10% tolerance. In practice, RIM is predominantly applied to financial institutions' IPOs and demonstrates relatively strong performance. Accordingly, for Khan Bank, we adopt the Ohlson (1995) model, grounded in the RIM framework. Applying the Ohlson model to Khan Bank's IPO data further improves target value accuracy, delivering gains between 7.7% and 73.1%, thus underscoring the model's potential to enhance valuation reliability in frontier markets.

Keywords

Equity Research, Valuation Methods, Target Price, Valuation Accuracy, Mongolian Stock Exchange, Ohlson Model.

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Introduction

Equity valuation lies at the heart of analyzing how publicly traded firms create, preserve, and distribute value over time, offering investors and decision makers a forward-looking lens on performance, risk, and strategic positioning (Bonini et al., 2010). In professional practice, price targets typically integrate short-horizon earnings signals with assessments of durable value drivers: profitability, growth prospects, and capital allocation, drawing on public disclosures and specialized information channels available to analysts (Buxbaum, Schultze, & Tiras, 2023). For forecasts to be genuinely decision-useful, whether for portfolio construction or corporate planning, they must track realized market outcomes as closely as possible.

Valuation precision is influenced by forces operating at multiple levels. Regime shifts between bullish and bearish phases, liquidity cycles, and sentiment dynamics can materially change model performance and forecast error profiles (Baker & Wurgler, 2013). Under such variation, the analyst's choice of pricing methodology becomes a primary determinant of predictive quality. Techniques span from simple heuristics to fully specified models, each grounded in different economic primitives such as cash generation, abnormal earnings, risk, and capital structure (Damodaran, 2006).

A widely used taxonomy groups methods into four families.

1. Discounted cash flow and excess-return approaches (e.g., DDM, FCFE, DCFF; EVA, CFROI, APV) value equity by discounting expected cash streams or by capitalizing abnormal returns.
2. Accounting-linked and liquidation concepts (e.g., RIM, O95, FO95, NAV) anchor estimates to book values and residual income.
3. Peer-comparison techniques infer value via market multiple-price-to-earnings, price-to-book, price-to-sales, enterprise-value-to-sales, and EV/EBITDA.
4. Contingent-claims frameworks recast equity as an option and draw on option-pricing machinery (Damodaran, 2025).

Peer-based multiples are pervasive because they are intuitive, inexpensive, and fast to deploy. By benchmarking firms against closely matched peers using ratios such as P/E or P/B, analysts infer market-implied expectations about growth and risk and form views on relative mispricing (Koller, Goedhart, & Wessels, 2010; Penman, 2013). The effectiveness of multiples depends on the premise that the chosen ratio encapsulates core drivers of value, enabling inference from economically similar comparators (Cheng & McNamara, 2000).

These advantages, however, come with trade-offs. Multiples inherit any systematic distortions present in market prices, such as noise trading, sentiment waves, or liquidity frictions, which can bias estimates away from intrinsic value (Damodaran, 2006). Selecting truly comparable firms is challenging when business models, accounting

policies, growth trajectories, and capital structures differ, often producing unstable signals across ratios. Moreover, multiples abstract from the timing and durability of cash flows; firms with atypical cash-flow profiles can be mismeasured, leading to inaccurate conclusions (Cavezzali & Rigoni, 2013; Massari et al., 2018).

Although comparative evidence on valuation method performance is abundant in mature markets such as the United States, New Zealand, and Germany (Cheng and McNamara, 2000; Berkman, Bradbury, & Ferguson, 2000; Erkilet, Janke, & Kasperzak, 2022), the Mongolian Stock Exchange (MSE) has received limited attention. Analysts operating in Asian emerging markets contend with evolving institutions, limited disclosure, thinner liquidity, and episodic volatility, conditions that complicate model selection and calibration compared with the U.K. and U.S (Sayed, 2017). In Mongolia specifically, prior studies have emphasized investor behavior (Batmunkh et al., 2020; Chojil et al., 2022), asset price bubbles (Gunbileg and Enkhbayar, 2017), valuation errors (Namkhai, Natsagdolgor, & Ankhbayar, 2022), and the developmental trajectory of the market (Odbileg, 2024). What is largely missing is a direct, empirical comparison of the predictive capabilities of competing valuation technologies in the MSE context.

This study addresses that gap by conducting a systematic evaluation of widely used approaches on MSE-listed firms, with attention to implementation choices, forecast performance, and accuracy. We further examine whether the Ohlson (1995) abnormal-earnings framework, grounded in residual income logic, delivers superior predictive power relative to conventional alternatives.

The remainder of the paper is organized as follows. The Literature Review synthesizes empirical evidence on valuation method performance and boundary conditions. Data and Methodology describe the sample, variable construction, and estimation strategy. Results present empirical outcomes and robustness checks. Conclusion distills the main insights, acknowledges limitations, and outlines avenues for future inquiry.

Literature Review

Empirical studies comparing equity valuation methods have focused on the predictive accuracy of discounted cash flow (DCF), dividend discount models (DDM), residual income models (RIM), and relative valuation using price to earnings (P/E) and price to book (P/B) ratios. The consensus across these inquiries is that no single approach is universally superior; performance is largely dependent and shaped by market conditions, industry economics, firm characteristics, and data reliability. Research by Imam et al. (2013) and related work indicates that cash flow-based models, especially DCF, can deliver higher accuracy than accrual-based approaches when credible forecasts are available.

Yet DCF is inherently sensitive to assumptions about growth and discount rates; inaccuracies in the continuing value or unrealistic long run assumptions can materially affect estimated prices (Damodaran, 2025). These sensitivities underscore the need for

scenario analysis, careful terminal modeling, and consistency checks against economic fundamentals.

Accounting based models, and RIM in particular, have gained prominence for their ability to connect value to book equity and abnormal earnings, thereby reducing reliance on speculative long horizon cash flow projections. Foundational evidence by Penman & Sougiannis (1998) and Francis et al. (2000) shows that RIM often yields lower valuation errors than both DCF and DDM, especially when predicting stock prices. The Ohlson (1995) framework formalizes residual income valuation within a parsimonious information dynamic, where current book value and abnormal earnings evolve with “other information” that captures forward looking signals not fully reflected in current accounting measures. Subsequent empirical work has highlighted Ohlson type models’ strengths in particular contexts: they can be effective for loss making firms (Collins, Pincus, & Xie, 1999); their explanatory power improves under inflation adjusted specifications (Gregory, Saleh, & Tucker, 2005); and in comparative settings they may demonstrate superior explanatory strength relative to alternative residual income variants (Bouaziz, Deschênes, & Rojas, 2018).

A recurring practical issue is the operationalization of the “other information” state, vt , in Ohlson’s information dynamics. Literature reflects divergent approaches. Some studies omit vt entirely (Ota, 2002; Shamki & Abdul Rahman, 2012; Spilioti & Karathanassis, 2012; Belesis, Kampouris, & Karagiorgos, 2022; Mubarika & Handayani, 2022), effectively absorbing forward looking signals into earnings dynamics or discount rates. Others propose proxies such as firm size and sales (Coelho, De Aguiar, & Lopes, 2011); beta, size, and leverage (Silvestri & Veltri, 2012); Piotroski F scores (Durán-Vázquez, Lorenzo-Valdés, Castillo-Ramírez, 2014); big data derived indicators (Samuel I Rivera, Juan Román and Thomas Schaefer, 2018); dividends (Boonlert-U-Thai, Saudagaran and Sen, 2022); integrated ESG financial reporting (Landau et al., 2020); corporate governance metrics (Vianna Brugni et al., 2012); and media sentiment (Fu et al., 2021). In emerging market applications, sustainability and non-financial disclosures have been associated with higher stock prices, suggesting that forward looking, extra accounting signals may materially influence market valuations (Mohammadi et al., 2018). Parallel methodological advances estimate the latent vt using state space/Kalman filtering, thereby sidestepping dependence on analyst forecasts and improving out of sample predictions (Awwal and Bidarkota, 2021), while time varying costs of equity and conservative accounting assumptions can reduce valuation bias (Wang, 2023). Together, these developments suggest that RIM/Ohlson performance hinges critically on specification and estimation choices.

Relative valuation holds enduring appeal in practice because multiples are easy to compute, interpret, and communicate to decisionmakers (Koller, Goedhart and Wessels, 2010). Analysts frequently rely on P/E and P/B ratios to benchmark firm value against peers and to capture market sentiment. Nevertheless, multiples inherit the noise, and behavioral biases present in prices, and their accuracy depends on the judicious selection

of comparables. Evidence from Asian emerging markets indicates that P/E multiples were favored during and after the 2008 financial crisis because they better reflected prevailing sentiment (Sayed, 2017). Conversely, multiples can be less reliable for loss making firms and firms with very high P/B ratios (Bonini et al., 2010). Sector studies, especially in banking, find P/E to be strongly predictive, often followed by RIM, aligning with the earnings centric nature of financial institutions (Leong et al., 2023). Analysts in the United States also frequently employ P/E and P/B in the insurance and banking sectors (Olbert, 2024). To mitigate biases inherent in any single metric, the literature increasingly recommends hybrid or composite approaches, averaging valuations from DCF and multiples or using regression weighted composites that embed firm level drivers such as growth, profitability, and risk, which often deliver tighter errors than single method estimates (Imam, Chan and Shah, 2013; Nel and le Roux, 2017; Prusak, 2017).

Data and Methodology

The MSE, which has been operational for a mere 34 years, is classified as a Frontier Market under the MSCI Market Classification. This classification reflects its status as a relatively nascent market, which inherently results in a lack of extensive experience seen in more developed markets. Consequently, in contrast to practices observed in other countries, there is currently no established practice for financial analysts to produce annual reports that forecast target prices for stocks. Instead, companies that are undertaking Initial Public Offerings (IPOs) engage licensed valuation organizations to perform business valuations. The resulting reports are incorporated into their securities prospectuses, thereby laying the groundwork for our research analysis.

In our study, we employed content analysis to examine the business valuation reports of 32 companies that have conducted IPOs on the MSE since 2011. The objective was to identify the stock valuation methods that are predominantly used and to assess their predictive accuracy. Approximately 60% of the business valuations for these 32 companies that conducted Initial Public Offerings (IPOs) on the MSE were performed by Gerege Estimate and BDO Mongolia, as shown in Table 1.

Table 1. Valuation Company List

NO	Valuation companies	Number of reports
1	Gerege Estimate	9
2	BDO Mongolia	9
3	Itgelt Estimate	3
4	Aten	2
5	Munkh-Orgil trade	2
6	National realty	2
7	Evidence	2
8	KPMG Mongolia	1
9	Center of property valuation	1
10	Oyu-Erdem Audit	1
	Total	32

During the designated period, 53% of the companies that undertake Initial Public Offerings (IPOs) are categorized within the financial sector, whereas 18% are classified as industrial firms, and an additional 18% fall under the consumer staples category. Analysts have predominantly utilized the DCF method (75%), NAV method (75%), and P/B method (53%) for valuing the stocks of companies undergoing IPOs, with 62.5% of them adopting the results derived from the DCF method as the target price, as illustrated in Table 2.

Table 2. Valuation Methods That Appear in Cross-sector Valuation Reports

Sector	Total reports	Number of times the following valuation methods appeared in the reports								Total	Hybrid
		Discounted cash flow models		Accounting based valuation		Relative valuation					
		DCF	DDM	RIM	NAV	P/B	P/E	P/S	EV multiples		
Financials	17	9	8	5	12	13	10	0	0	57	1
Industrials	6	6	0	0	5	2	1	0	1	15	2
Consumer Staples	6	6	1	0	5	1	3	1	5	22	
Consumer Discretionary	1	1	0	0	0	0	0	0	0	1	
Information Technology	1	1	0	0	1	0	0	0	0	2	
Health care	1	1	0	0	1	1	0	0	0	3	
Total	32	24	9	5	24	17	14	1	6	100	3
Considered as dominant method		20	3	5	1					32	3

Note: DCF-Discounted cash flow methods, DDM-Dividend Discount Model, RIM-Residual Income Model, NAV-Net Asset Valuation Method, P/B-Price to Book, P/E-Price to Earnings, P/S-Price to Sales, EV multiples-Enterprise multiples such as EV to EBIT, EV to Sales, EV to net income, EV to EBITDA. The term "hybrid" refers to the practice of an appraiser employing multiple methods to value a company's stock, rather than considering only one method as the dominant approach. In calculating the target price, it implies that the appraiser considers the results derived from the various methods used, assigning them appropriate significance to reflect their contributions to the overall valuation.

To evaluate the predictive accuracy of stock prices determined through valuation methods, we analyzed how closely the estimated prices aligned with actual trading prices over a 12-month period following each stock's initial issuance. This alignment was assessed at deviation thresholds of 1%, 3%, 5%, and 10%. The predictive accuracy is calculated using the following formula:

$$P \% = \frac{Y}{N} \times 100\%$$

Where, $P\%$ – Predictive accuracy of the valuation method, Y – Number of trades where the actual price fell within 1%, 3%, 5%, or 10% of the estimated price, N – Total number of trades conducted during the 12 months after the stock was issued.

We focused on the financial sector, which represents the largest share of IPO companies, and examined whether the Ohlson (1995) model outperforms traditional valuation models in forecasting, using data from 2006 to 2024 for Khan Bank, the largest bank in Mongolia. Khan Bank, established in 1991, is one of Mongolia's largest and most influential financial institutions, playing a pivotal role in the country's banking sector. As of 2025, the bank serves approximately 2.9 million customers through an extensive network comprising 548 branches, 231 express banking units, and 340 kiosks, supported by more than 37,000 POS terminals and 1,480 ATMs nationwide. This extensive infrastructure underscores Khan Bank's dominant market presence, with a market share of 28.4% in assets, 32.4% in loans, 31.3% in deposits, and 33.6% in equity, positioning it as a leading player in Mongolia's financial landscape.

The bank has demonstrated strong commitment to digital transformation, with 75% of transactions conducted digitally, reflecting its strategic focus on technological innovation and customer accessibility. Furthermore, Khan Bank has integrated sustainability into its lending practices, with 53% of its loan portfolio classified as green loans, signaling alignment with global environmental and social governance (ESG) standards. Khan Bank's recent Initial Public Offering (IPO) represents a landmark event for the Mongolian Stock Exchange, given the institution's scale and systemic importance. The IPO not only enhances transparency and corporate governance but also provides a benchmark for valuation practices in frontier markets. As such, Khan Bank serves as an ideal case for examining the applicability and predictive accuracy of various valuation models within the context of emerging financial systems.

Based on our research findings, the Residual Income Model (RIM) was employed in valuing the IPOs of financial institutions, yielding relatively strong predictive power. Consequently, for the case of Khan Bank, we chose to apply the Ohlson model (1995), which is developed on the foundation of the RIM approach.

The Ohlson model (1995) centers on three fundamental assumptions (Silvestri & Veltri, 2012). The first assumption posits that firm value corresponds to the realization of expected dividends, following the Dividend Discount Model (DDM). The second assumption, known as the Clean Surplus Relation (CSR), postulates that any alterations to the value of net firm assets are categorized as income or dividends. The third assumption, termed as the LIM (Linear Information Model), stipulates that the residual earnings at time (x_{t+1}^a) are contingent on prior-year residual earnings (x_t^a), and additional information (v_t) available to the market at time t but not yet incorporated into the accounting system and hence excluded from the calculation of (x_t^a).

The representation of dynamic information is as follows:

$$x_{t+1}^a = \omega x_t^a - v_t + \varepsilon_{1t+1} ;$$

$$v_{t+1} = \gamma v_t + \varepsilon_{2t+1}$$

Here, the variables are defined as follows:

x_t^a – abnormal earnings = $x_t - r(bv_{t-1})$;

x_t – current earnings.

ω and γ – parameters of persistence.

v_t – “other information” about expected future residual profits that are observed at the end of the period “ t ” but were still not recognized by the accounting.

ε_{1t+1} , ε_{1t+2} – represent the terms of stochastic errors.

The model is expressed in the following form:

$$P_t = b_t + \alpha_1 x_t^a + \alpha_2 v_t$$

In this formulation:

$$\alpha_1 = \frac{\omega}{R-\omega} ; \alpha_2 = \frac{R}{(R-\omega)(R-\gamma)} ; R = 1 + r$$

r – discount rate.

P_t – market value of the firm's equity, date t ;

b_t – book value of the firm's equity, date t .

Specifically, Ohlson (1995) justifies the application of the historical price model in value relevance studies, wherein value is expressed as a function of earnings and book values (Nasfi Salem, 2021).

As previously mentioned, a key challenge in applying Ohlson's model lies in how to define the “other information” variable. Researchers have conducted empirical tests by substituting various indicators for this variable. In this study, we substituted the “other information” variable with the following indicators: Capital Adequacy Ratio (CAR), Non-performing Loan (NPL), GDP growth, and the level of integrated reporting. To calculate the level of integrated reporting, we used the 50 indicators included in Chimidsuren's model and measured the proportion of those disclosed in the banks' annual reports.

These indicators were weighted as follows to substitute the “other information” variable: CAR – 20%, NPL – 20%, level of integrated reporting – 15%, and the macroeconomic indicator GDP growth – 45%.

Results

The DCF model has been the most widely used and primary method for valuing shares issued IPOs and Follow-on Offerings (FOs) by companies listed on the MSE, which aligns with the findings of Frensidy *et al.* (2020). However, its predictive accuracy has not proven to be the highest, which contrasts with the conclusions drawn in the aforementioned study.

Table 1. Predictive accuracy of the valuation methods (with 1% and 3% deviation)

Methods & Models	Prediction accuracy ($\pm 1\%$ deviation)				Prediction accuracy ($\pm 3\%$ deviation)			
	No	Yes	Total	Accuracy (%)	No	Yes	Total	Accuracy (%)
DCF	3,361	127	3,488	3.6%	3,177	311	3,488	8.9%
DDM	1,827	36	1,863	1.9%	1,736	127	1,863	6.8%
EV/EBIT	202	0	202	0.0%	202	0	202	0.0%
EV/EBITDA	363	0	363	0.0%	361	2	363	0.6%
EV/NI	135	0	135	0.0%	135	0	135	0.0%
EV/S	312	0	312	0.0%	312	0	312	0.0%
NAV	3,738	25	3,763	0.7%	3,695	68	3,763	1.8%
P/B	2,736	116	2,852	4.1%	2,555	297	2,852	10.4%
P/E	2,260	104	2,364	4.4%	2,034	330	2,364	14.0%
P/S	202	0	202	0.0%	202	0	202	0.0%
RIM	929	39	968	4.0%	821	147	968	15.2%
Hybrid	301	2	303	0.7%	292	11	303	3.6%
Total	16,366	449	16,815	2.7%	15,522	1,293	16,815	7.7%
Max				4.4%				15.2%

Source: Own estimation

The results of estimating the predictive power of stock prices calculated using various valuation methods, compared to actual market prices with 1%, 3%, 5%, and 10% deviation thresholds, were presented in Table 3 and Table 4. According to these tables, the valuation method with the highest predictive accuracy at the 1% deviation level was the P/E method, with a prediction rate of 4.4%. At the 3% and 5% deviation levels, the RIM method showed predictive power of 15.2% and 24.7%, respectively. At the 10% deviation level, the mixed approach demonstrated the highest predictive power at 44.9%.

Table 4. Predictive accuracy of the valuation methods (with 5% and 10% deviation)

Methods & Models	Prediction accuracy ($\pm 5\%$ deviation)				Prediction accuracy ($\pm 10\%$ deviation)				Frequency of method usage	Considered the dominant method
	No	Yes	Total	Accuracy (%)	No	Yes	Total	Accuracy (%)		
DCF	2,936	552	3,488	15.8%	2,222	1,266	3,488	36.3%	24	20
DDM	1,655	208	1,863	11.2%	1,390	473	1,863	25.4%	9	3
EV/EBIT	202	0	202	0.0%	200	2	202	1.0%	1	0
EV/EBITDA	356	7	363	1.9%	334	29	363	8.0%	2	0
EV/NI	135	0	135	0.0%	135	0	135	0.0%	1	0
EV/S	312	0	312	0.0%	312	0	312	0.0%	2	0
NAV	3,666	97	3,763	2.6%	3,524	239	3,763	6.4%	24	1
P/B	2,416	436	2,852	15.3%	1,977	875	2,852	30.7%	17	0
P/E	1,855	509	2,364	21.5%	1,491	873	2,364	36.9%	14	0
P/S	200	2	202	1.0%	132	70	202	34.7%	1	0
RIM	729	239	968	24.7%	536	432	968	44.6%	5	5
Hybrid	259	44	303	14.5%	167	136	303	44.9%	3	3
Total	14,721	2,094	16,815	12.5%	12,420	4,395	16,815	26.1%	103	32
Max				24.7%				44.9%		

Source: Own estimation

To calculate the target price using Ohlson's model, we first evaluated the LIM.

Since the LIM regression is significant, we used the defined ω and γ parameters to calculate the target price, and then assessed the accuracy of the valuation by comparing it with the trading prices over the 12 months following the IPO.

Table 5. LIM regression results

Parameters	Coefficient	t-stat	p-value	F stat.	p-value	R ²
γ	0.406	1.782	0.095	3.156	0.095	0.165
ω	0.579	2.343	0.033	5.455	0.033	0.254

Note: Significant coefficients are marked with ***, **, and * at the 1%, 5%, and 10% levels, respectively.

Based on our estimation, the parameters were determined as $\alpha_1 = 1.205$ and $\alpha_2 = 3.373$ and the target price for 2021 was calculated to be 1,075 tugrug. The valuation company estimated the target price of Khanbank's shares to be 959 tugrug using the RIM. The target prices calculated by the RIM and the O95 model were compared with the actual trading prices observed during the 12 months following the IPO, and the accuracy of the prediction is presented in Table 6.

Table 6. Predictive accuracy of the valuation models RIM and O95

Model	Prediction accuracy (±1% deviation)				Prediction accuracy (±3% deviation)				Prediction accuracy (±5% deviation)				Prediction accuracy (±10% deviation)			
	No	Yes	Total	Accuracy (%)	No	Yes	Total	Accuracy (%)	No	Yes	Total	Accuracy (%)	No	Yes	Total	Accuracy (%)
RIM	104	0	104	0.0%	104	0	104	0.0%	104	0	104	0.0%	8	22	104	21.2%
O95	96	8	104	7.7%	64	40	104	38.5%	28	76	104	73.1%	7	97	104	93.3%

Using the case of Khan Bank's shares, our results indicate that the accuracy of the target value was improved by a range of 7.7% to 73.1%.

Conclusion

This study provides a comprehensive assessment of stock valuation practices within the Mongolian Stock Exchange (MSE), a frontier market characterized by structural inefficiencies, limited liquidity, and informational asymmetries. Given that the MSE remains in its formative stage, brokerage firms have not yet institutionalized the practice of issuing annual valuation reports for investors, resulting in a scarcity of research materials and systematic valuation data.

Our analysis of 32 IPO valuation reports from 2011 to 2023 reveals that, although the Discounted Cash Flow (DCF) model is the most frequently employed approach, it does not deliver the highest predictive accuracy. In contrast, accounting-based models such

as the Residual Income Model (RIM) exhibit stronger performance, particularly for financial institutions, where they provide more reliable valuation outcomes. Furthermore, the Ohlson (1995) framework demonstrates notable improvements in predictive accuracy when applied to Khan Bank's IPO data, underscoring its potential relevance for frontier markets where forward-looking cash flow projections are inherently uncertain.

These findings carry important implications for valuation practices in emerging and frontier markets. First, reliance on a single valuation method may be inadequate in environments with structural inefficiencies and limited data availability. Second, accounting-based approaches, especially RIM and Ohlson's model, appear particularly well-suited to contexts where speculative cash flow forecasts undermine the reliability of traditional models.

This study acknowledges certain limitations, including the relatively small sample size, the reliance on IPO valuation reports rather than analyst forecasts, and challenges in operationalizing the "other information" variable within the Ohlson model. Future research should aim to identify the most appropriate indicators for constructing the "other information" variable across different industries and establish optimal weighting schemes for these indicators. Expanding the dataset and refining the application of accounting-based models will further enhance valuation accuracy and robustness.

Overall, this research contributes to the literature on valuation in frontier markets by demonstrating that the Ohlson model and RIM can significantly improve predictive reliability, particularly for financial institutions. These insights offer practical guidance for analysts, regulators, and investors seeking to improve valuation practices in the Mongolian Stock Exchange and similar market environments.

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