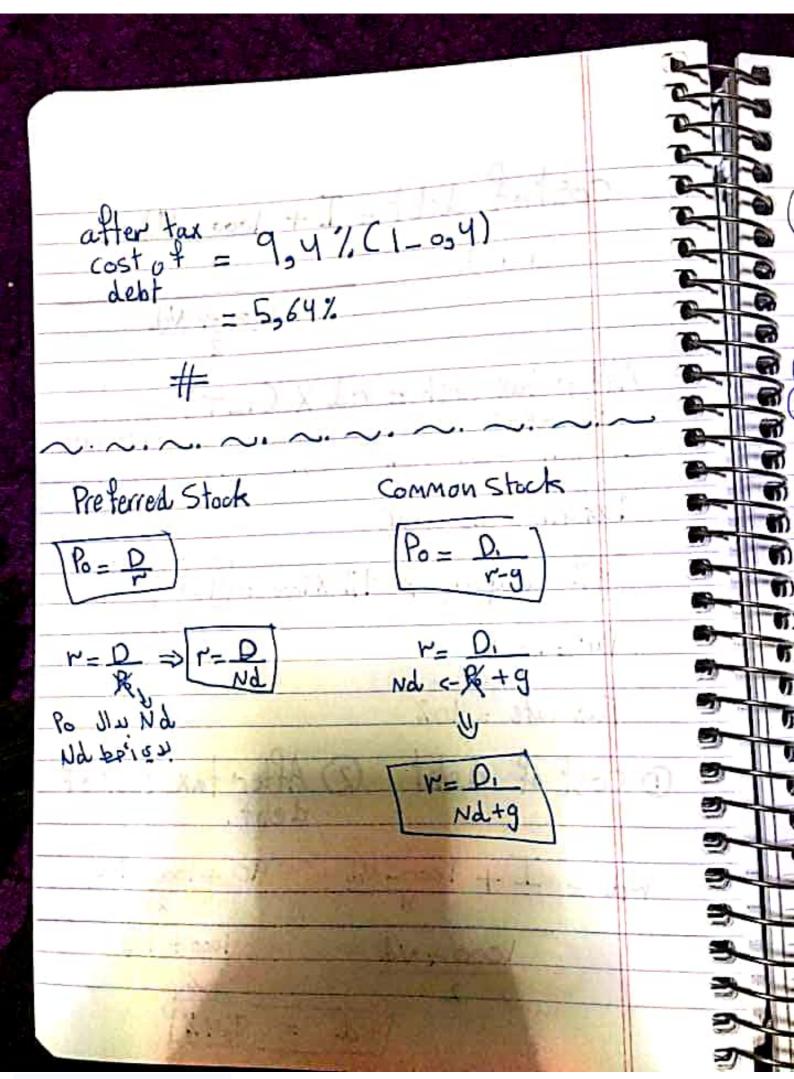
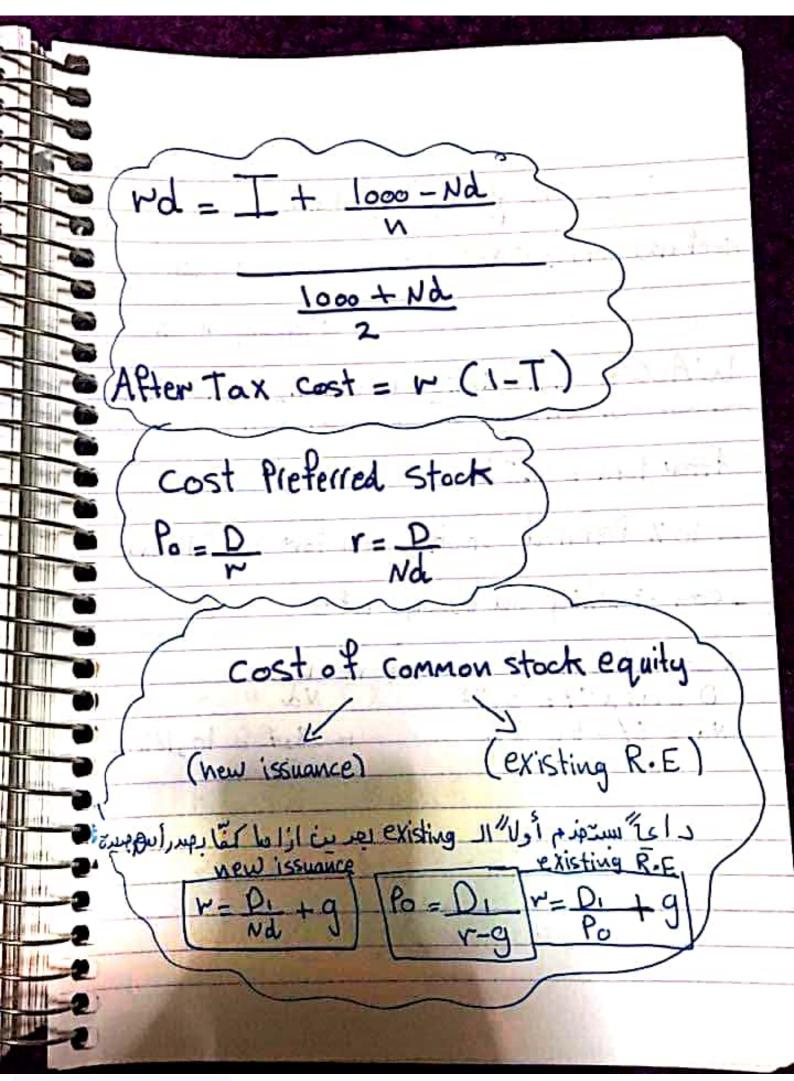
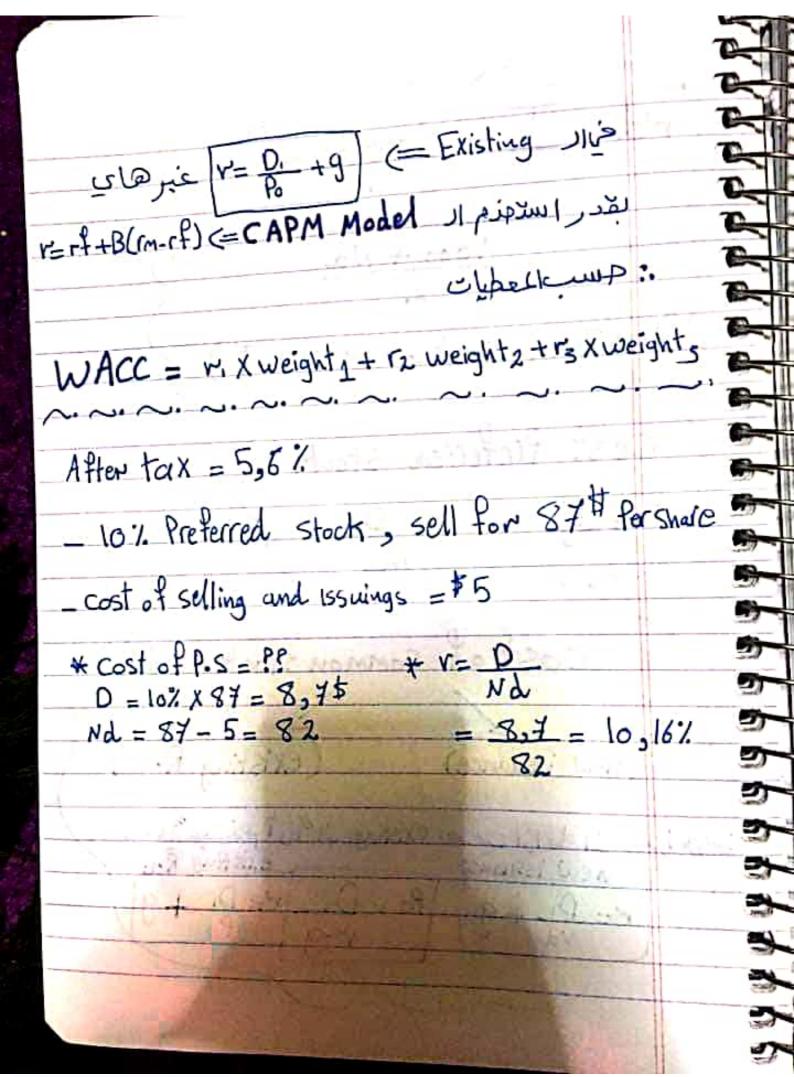


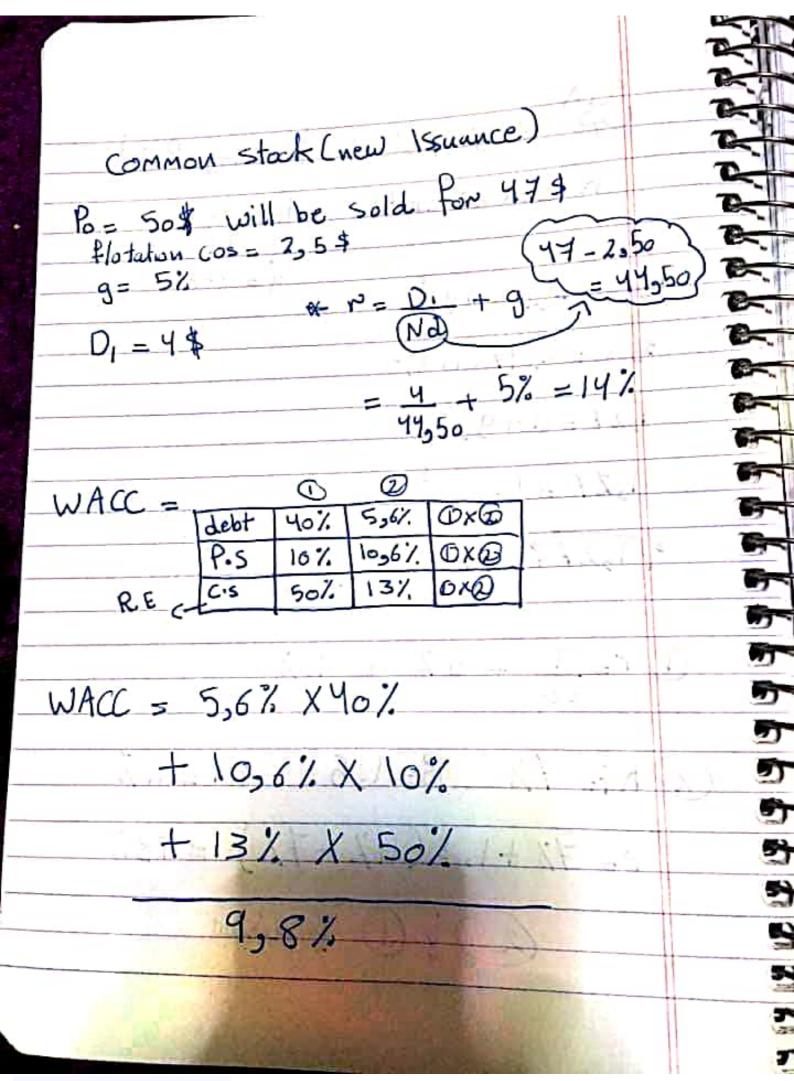
cost of debt = I + 1000 - Nd (rd) 1000 + Nd After tax cost = rd X (I\_T) Tax rate Madurity = 20 years 9% coupon > 9% X1000 = 90\$ Par = 1000 \$ Tax rate = 40% O cost of delot @ After tax cost of debt 90+1000-960 I+ 1000-Nd 1000 + 960 1000 + Nd







SIA Existing R.F.	
ارفام السنوان (= عن	
v= cost of capital Po= \$50	
Q = 1777	
D <sub>2015</sub> = D <sub>2010</sub> (1+g) <sup>5</sup>	(
3,8=2,97(1+9)5	
1,27 = (1+9)5	
1,27 = (1+9)5	
5/1,27 =/(1+9) => [g=5%]	ı J
$0 = \frac{4}{50} + 5\% = 13\%$	
50	
2) Rf= 7% B=1.5: m=11	
P= 7% +1,5 (11% - 7%) = 13	%
بستمنع يا كل يا ره	





QY:~

\* Nd = 1000 - 20 - 25

A) alife 20

\* Underwriting fee 25\$

\* Discount: \$ -20

Coupon intrest Rate 91/ => 9% X1000 = 90}

1 rd = I + 1000 -Nd

1000 + Nd ...

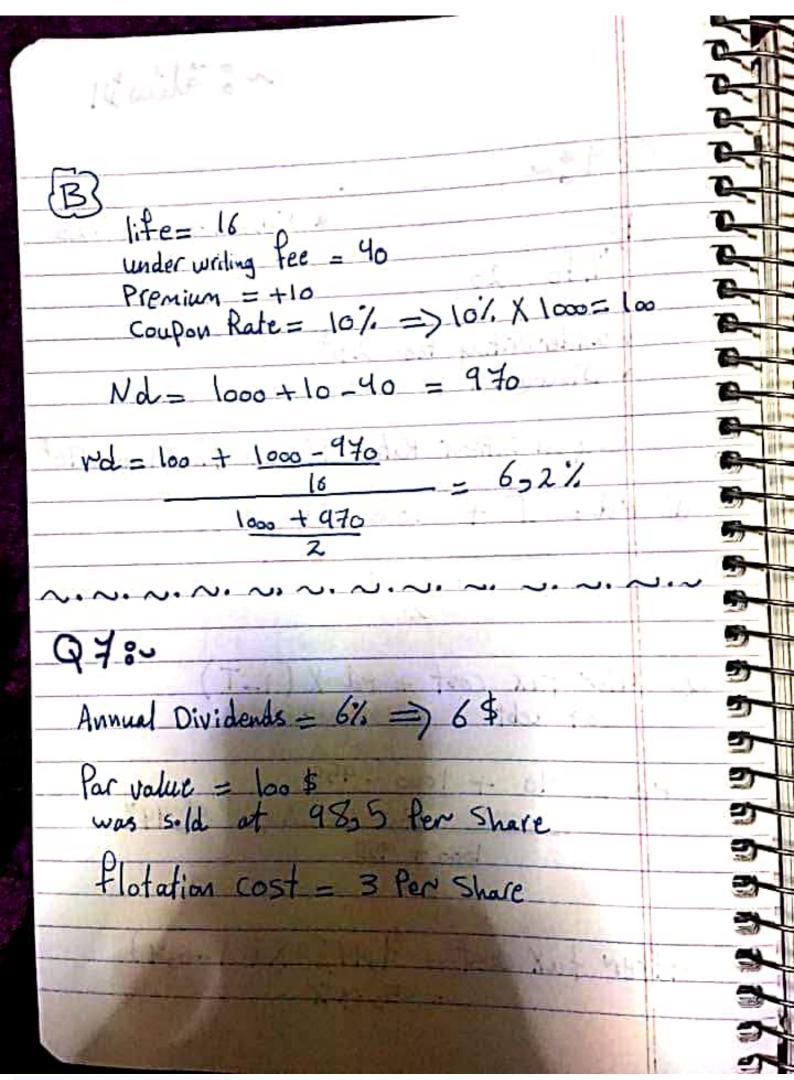
@ after tax cost = rd X (1-T)

rd = 90 + 1000 - 955

1000 + 955

. 2

After tax cost = 9,44% X (1-0,4)



(a) Cost of P.5 = 65 28%.

No.  $\frac{0}{15.5}$  = 65.5 = 45.5

(b) Annual dividends = 10% X 100 = 10 \$

Nd = 93 = 10,75%Nd = 93 = 10,75%

Nd = 93

99:~

B=1,8 rm=16% Rf=5%

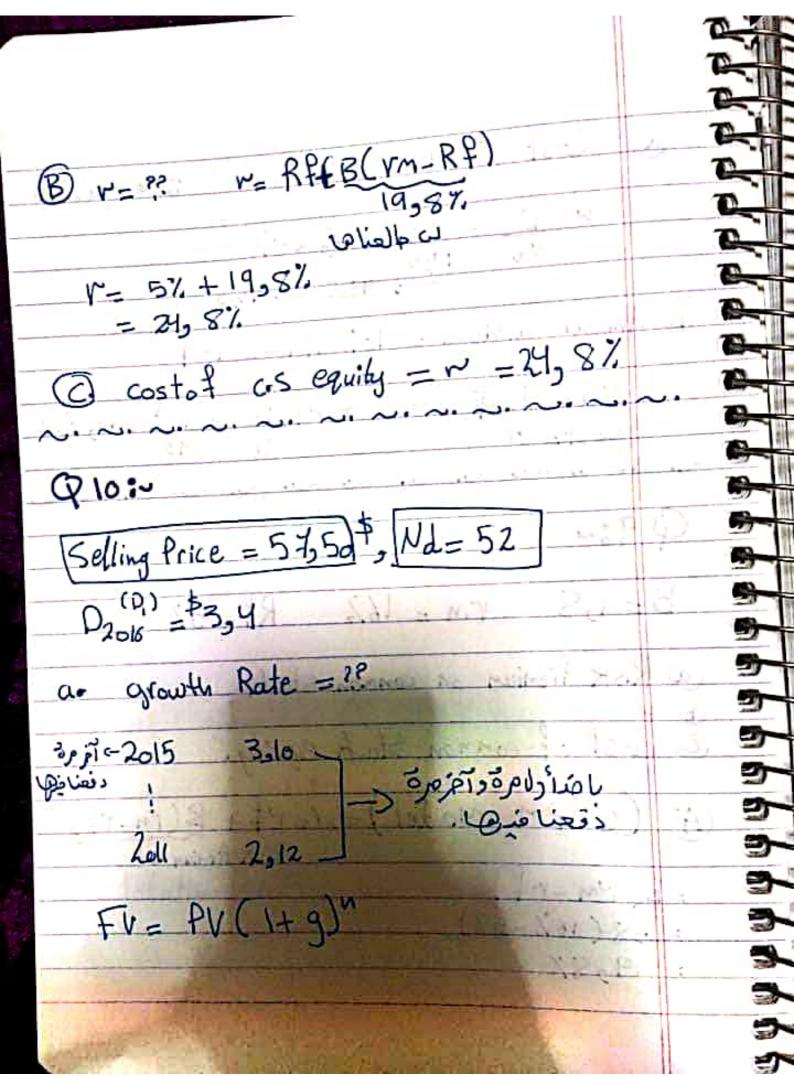
@ Risk Premium on common stock

@ cost of common Stock equity.

A) (CAPM model) => 1= mf+ B(1m-rf)
Risk Arning

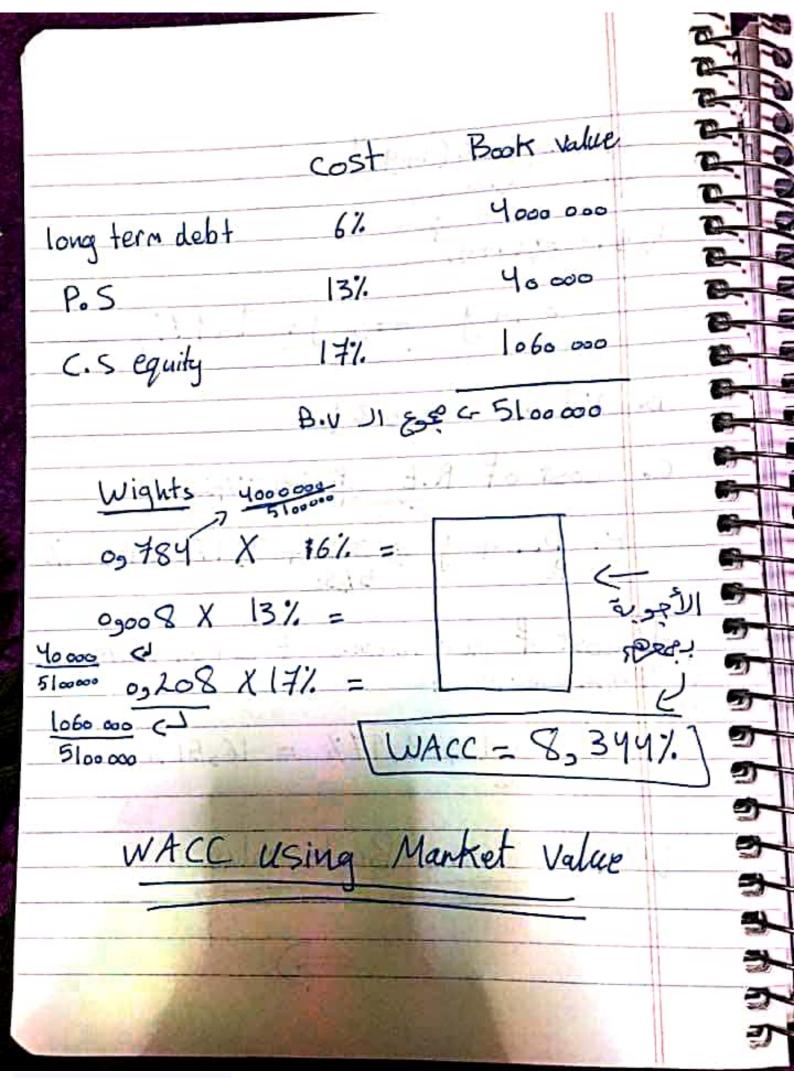
= B( rm - rf) = 138 (16%-5%)

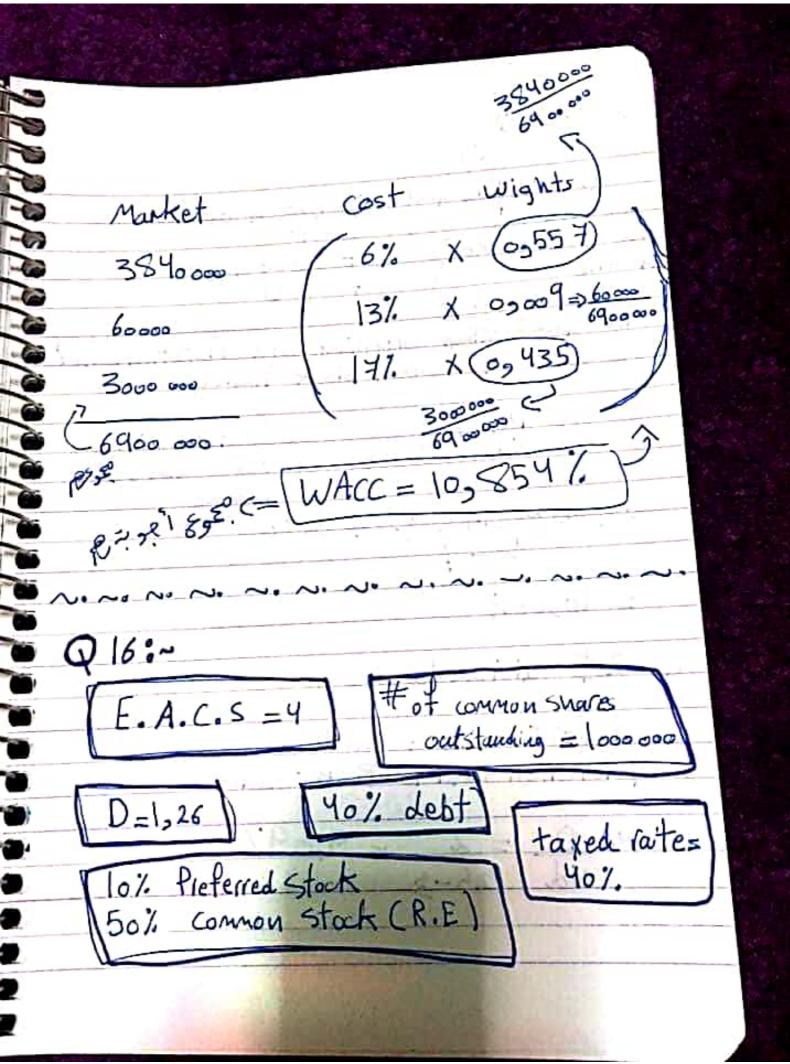
= 19,8%

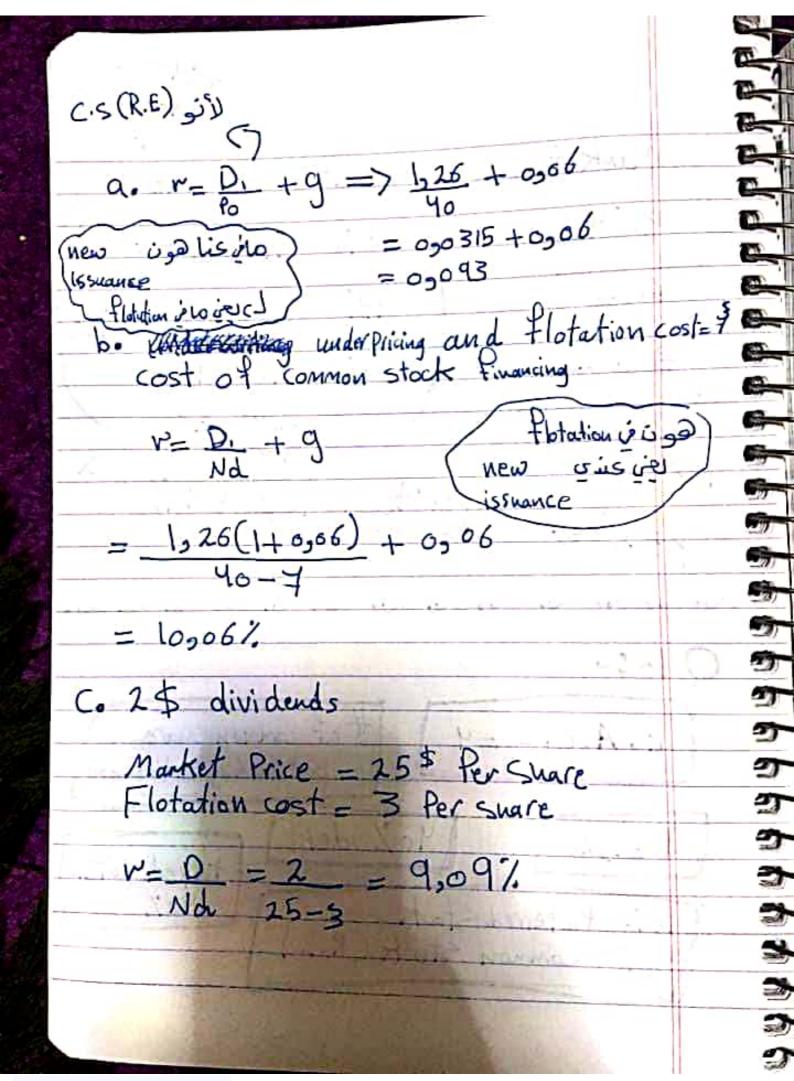


$$\frac{300}{2012} = \frac{2012}{1012} (1+9)^4$$

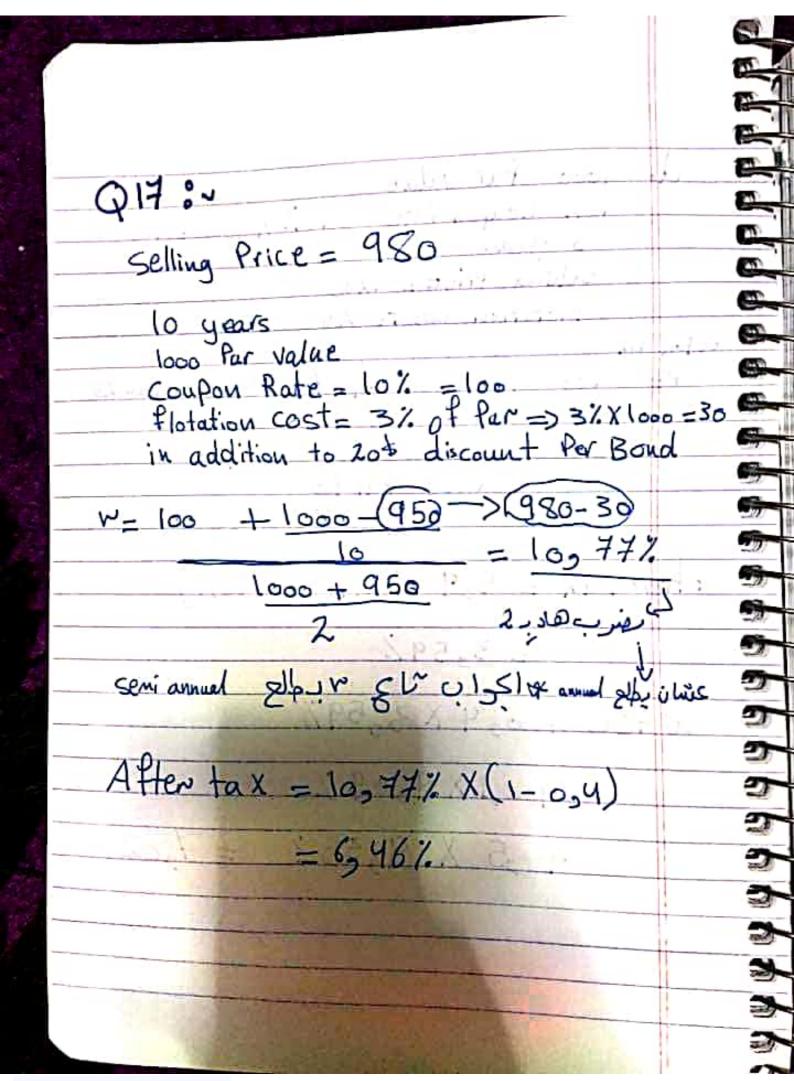
$$V = D_{1} + 9 \Rightarrow \frac{3.4}{57.50} + 9.97\% = 15.88\%$$







loog Par value 10% coupon vate > 10% X 1000 = 100 5 years selling Price = 1200 flotation cost = 25 V= 100 + 1000 - (175) -> Nd = 1200-25 before tax 1000 + 1175 After tax = 5,98% X(1-40%) = 3,59% WACC = 0, 4 X 3,59% +0,1 X 9,09 % + ,5 X 9,35% = 7,02%



Selling Price = 50\$ Per sware

Di = 4\$

V= DT + g dividends

$$= \frac{4}{50-5-3} + \frac{1}{1}, \frac{1}{1} = \frac{16,69}{1}$$

