

HW - Chapter 4 - Cost of Capital - Q10

$$\begin{aligned}K_e &= (D_1 \div NP) + g \\&= 10 \div (190 - 5) + 0.05 \\&= 10.41\%\end{aligned}$$

$$\begin{aligned}K_r &= (D_1 \div P_0) + g \\&= 10 \div 200 + 0.05 \\&= 10\%\end{aligned}$$