

HW - Chapter 4 - Cost of Capital - Q8

$$K_p = PD + (RV - NP)/n \div \{(RV + NP)/2\}$$

$$= \{Rs. 10 + (100 - 95)/10\} \div (Rs. 100 + Rs. 95)/2$$

$$= 10.77\% \text{ per annum}$$