

## HW - Chapter 9 - Dividend Policy - Q2

$$D_0 = \text{Rs. } 2$$

$$g = 2\%$$

$$D_1 = 2 + 2\% = \text{Rs. } 2.04$$

$$\begin{aligned} P &= D_1 / (k_e - g) \\ &= 2.04 / (0.15 - 0.02) \\ &= \text{Rs. } 15.69 \end{aligned}$$