Assignment 10

The due date for submitting this assignment has passed.

Please note that you have not submitted this assignment.

A. Article, several examples of capital raise often used to works projects because:
   - It avoids the prepayment of expected required me for most investment projects.
   - It allows the equity to remain invested in the project.

Week 3

B. For the purposes of computing the market price of a stock, the expected dividend for the next year is:
   - The dividend paid this year plus the growth rate.
   - The dividend paid this year plus the growth rate plus the market price.

Week 4

C. The current market price of a stock is $100.
   - If the annual dividend is $5, the expected dividend growth rate is 5%, the risk-free rate is 3%, and the required return is 10%, what is the expected return on this stock?
   - It is $10%.
   - It is $5%.
   - It is $5%.

Week 5

D. The current market price of a stock is $100.
   - If the annual dividend is $5, the expected dividend growth rate is 5%, the risk-free rate is 3%, and the required return is 10%, what is the expected return on this stock?
   - It is $10%.
   - It is $5%.
   - It is $5%.

Week 6

E. A stock should be purchased if it is expected to experience a large increase in its market price over the next year.
   - True.
   - False.

Week 7

F. The beta of a stock is a measure of:
   - The sensitivity of the stock's return to market movements.
   - The expected market return.
   - The beta of the market portfolio.

Week 8

G. The current market price of a stock is $100.
   - If the annual dividend is $5, the expected dividend growth rate is 5%, the risk-free rate is 3%, and the required return is 10%, what is the expected return on this stock?
   - It is $10%.
   - It is $5%.
   - It is $5%.

Week 9

H. The expected return on an investment is the product of the expected return on each investment project and the investment's proportion of the total investment.
   - True.
   - False.

Week 10

I. The risk premium for a stock is calculated by subtracting the risk-free rate from the required rate of return.
   - True.
   - False.

J. The expected return on a portfolio is the weighted average of the expected returns of the individual stocks in the portfolio.
   - True.
   - False.

K. The current market price of a stock is $100.
   - If the annual dividend is $5, the expected dividend growth rate is 5%, the risk-free rate is 3%, and the required return is 10%, what is the expected return on this stock?
   - It is $10%.
   - It is $5%.
   - It is $5%.

L. The beta of a stock is a measure of the sensitivity of its return to market movements.
   - True.
   - False.

M. The current market price of a stock is $100.
   - If the annual dividend is $5, the expected dividend growth rate is 5%, the risk-free rate is 3%, and the required return is 10%, what is the expected return on this stock?
   - It is $10%.
   - It is $5%.
   - It is $5%.

N. The expected return on a portfolio is the weighted average of the expected returns of the individual stocks in the portfolio.
   - True.
   - False.

O. The current market price of a stock is $100.
   - If the annual dividend is $5, the expected dividend growth rate is 5%, the risk-free rate is 3%, and the required return is 10%, what is the expected return on this stock?
   - It is $10%.
   - It is $5%.
   - It is $5%.