Solutions to Sample Final Exam

Question 1. a. $D_0 = 96.0502$  b. $P_2 = 52.1459$  c. CCC = 0.1152

Question 2. a. $D + E = 748.1429$, $r_E = 0.1712$  b. $r_A = 0.1531$

Question 3. a. APV = 8.37, $\hat{D} + \hat{E} = 323.5$, $\hat{P} - P = 3.5075$  b. APV = 9.7023, $\hat{D} + \hat{E} = 324.8837$, $\hat{P} - P = 3.1239$

Question 4. a. NPV = 0.9997