

Quiz 4		
Qs No.	Variant A	Variant B
2	a	c
3	a	c
4	a	c
5	a	c
6	a	c

Qs 1

$$k_e = r_f + \beta(r_m - r_f) = 5.34 + 0.83(5.32) = 9.7556\%$$

$$P/E = \frac{D_1/E}{k_e - g} = \frac{0.575/1.837}{9.7556\% - 8.18\%} = 19.87$$

For calculating ke correctly 2 marks

for P/E : 3 marks

Merely writing the formula does not fetch any marks