**LAIKIPIA UNIVERSITY COLLEGE**

**ATTEMPT ALL QUESTIONS**

1. Discuss the different types of mergers? Why would companies choose to merge? (8mks).
2. Discuss in detail the sources of capital available to corporations, giving advantages and disadvantages of each. (10 mks)
3. A firm expects to pay a dividend of Ksh. 2.00 per share, with growth in dividends forecasted at 6%. If your cost of capital is 15%, what is the worth of this share to you (6 mks).
4. What is the limitation of the Gordon dividend growth model (2 mks)
5. Explain the term financial distress, citing examples (4 mks)