

## ASSIGNMENT - 3.

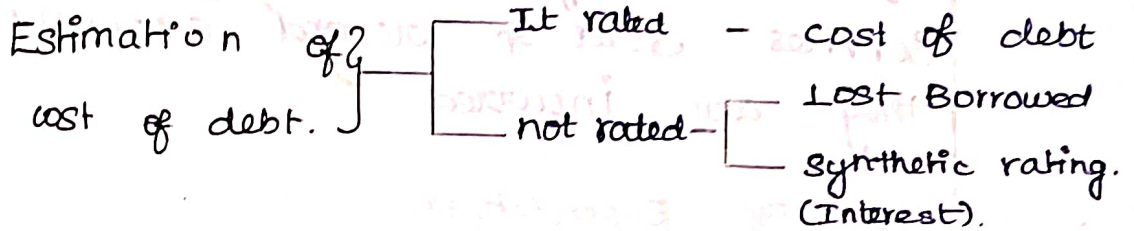
### Cost of Debt.

#### General Rules.

Fixed Payment

Tax deduction

Loss of control.



Estimating synthetic ratings:

The rating for a firm can be estimated using the financial characteristics of the firm.

Interest coverage ratio =  $\frac{\text{EBIT}}{\text{interest} + \text{Expenses.}}$