

- 1- Wilt's has earnings per share of \$2.98 and dividends per share of \$.35. What is the firm's sustainable rate of growth if its return on assets is 14.6% and its return on equity is 18.2%?
- 2- Dani's just paid an annual dividend of \$6 per share. What is the dividend expected to be in five years if the growth rate is 4.2%?
- 3- What should be the price for a common stock paying \$3.50 annually in dividends if the growth rate is zero and the discount rate is 8%?
- 4- What price would you pay today for a stock if you require a rate of return of 13%, the dividend growth rate is 3.6%, and the firm recently paid an annual dividend of \$2.50?
- 5- What constant-growth rate in dividends is expected for a stock valued at \$32.40 if next year's dividend is forecast at \$2.20 and the appropriate discount rate is 13.6%?
- 6- What rate of return is expected from a stock that sells for \$30 per share, pays \$1.54 annually in dividends, and is expected to sell for \$32.80 per share in one year?
- 7- A company with a return on equity of 15% and a plowback ratio of 60%, what would be expected constant-growth rate?
- 8- What is the plowback ratio for a firm that has earnings per share of \$2.68 and pays out \$1.75 per share in dividends?
- 9- A stock is expected to pay dividends of \$1.20 per share in Year 1 and \$1.35 per share in Year 2. After that, the dividend is expected to increase by 2.5% annually. What is the current value of the stock at a discount rate of 14.5%?
- 10- Jefferson's recently paid an annual dividend of \$1.31 per share. The dividend is expected to decrease by 4% each year. How much should you pay for this stock today if your required return is 16%?
- 11- What is the expected constant-growth rate of dividends for a stock with a current price of \$87, an expected dividend payment of \$5.40 per share, and a required return of 16%?
- 12- What is the value of the expected dividend per share for a stock that has a required return of 16%, a price of \$45, and a constant-growth rate of 12%?
- 13- What is the required return for a stock that has a constant-growth rate of 3.3%, a price of \$25, an expected dividend of \$2.10, and a P/E ratio of 14.4?
- 14- What should be the price of a stock that offers a \$4.32 annual dividend with no prospects of growth, and has a required return of 12.5%?
- 15- What should be the current price of a share of stock if a \$5 dividend was just paid, the stock has a required return of 20%, and a constant dividend growth rate of 6%?

- 16- What should be the current price of a stock if the expected dividend is \$5, the stock has a required return of 20%, and a constant dividend growth rate of 6%?
- 17- What proportion of earnings is being plowed back into the firm if the sustainable growth rate is 8% and the firm's ROE is 20%?
- 18- What is the expected constant-growth rate of dividends for a stock currently priced at \$50, that just paid a dividend of \$4, and has a required return of 18%?