

WACC Equation

Market value of debt	\$30,000,000
Market value of common equity	30,000,000
Total market value	<u>\$60,000,000</u>

New project investment \$10,000,000

Coupon rate of of par value bonds 8.00%

Price of common stock \$30.00

Required return of common stock, r_s 12.00%

Dividend yield, D_1/P_0 4.00%

Constant growth rate, g 8.00%

Tax rate 35.00%

Amount of new investment financed with common equity

WACC, assuming no new common equity

Formulas

#N/A

#N/A