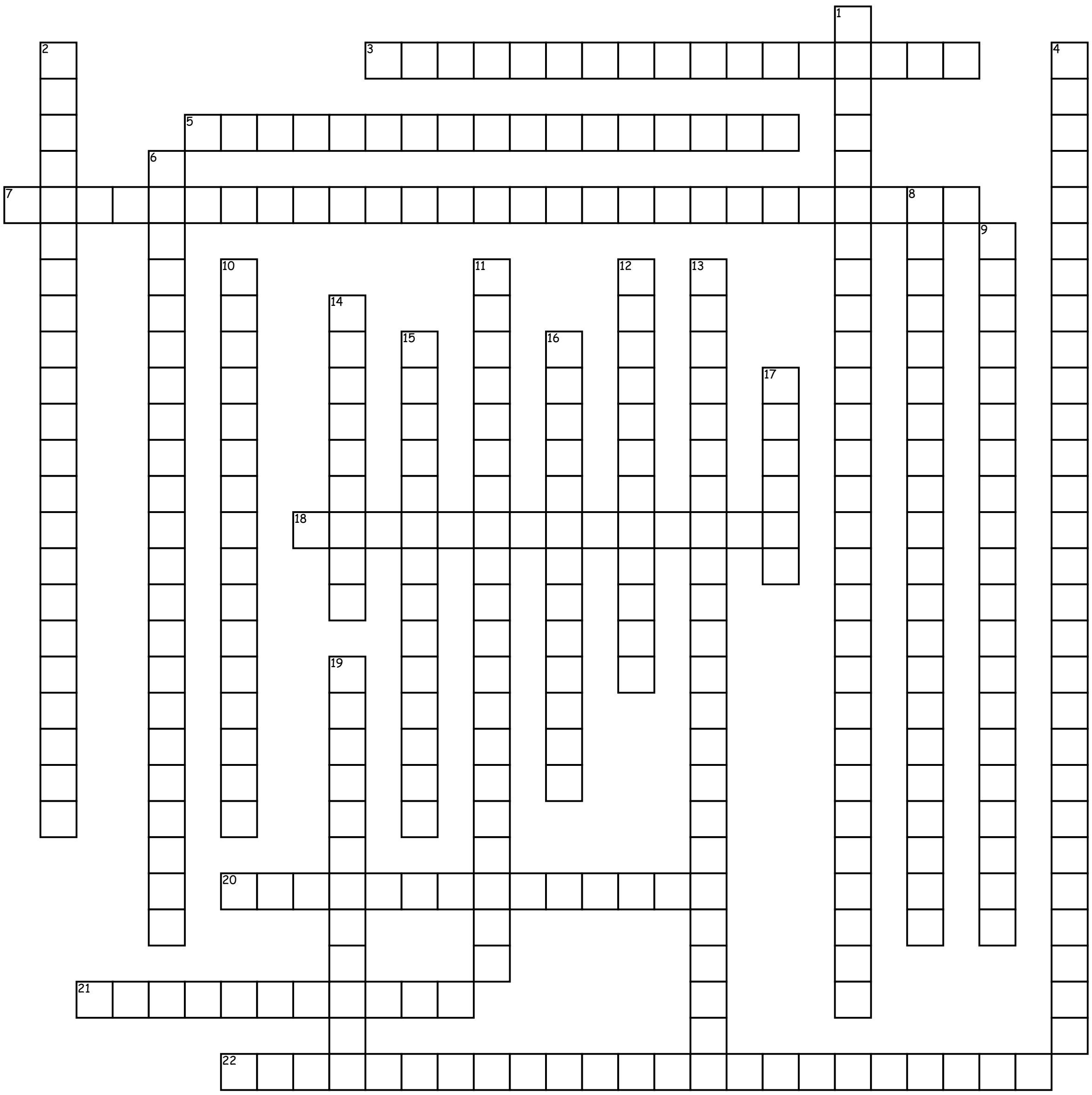
Name: ____________________________________ Date: _______ Period: _______

chapter 4 & 9 crosswordddd



Across

3. Sources of investor-supplied capital used to determine the weighted average cost of capital, including common stock, preferred stock, and long term debt.

5. A firm's cost to provide rs, the return required by the firm's common stockholders.

7. Is the rate that shareholders require to be fairly compensated for the risk they bear.

18. Used in rate case hearings for public utilities but not for valuation.

20. Percentage of net income retained: i.e., the percent not paid as a cash dividend.

21. Percentage of net income paid as a cash dividend. Often denoted by POR.

22. Shows how growth is related to reinvestment and is expressed as follows g=ROE (retentionratio)

Down

1. tax component costs, preferred stock, and common equity.

2. Percentages of the different sources of capital the firm plans to use on a regular basis, with the percentages based on the market values of those sources.

4. Method of estimating a stock's cost of equity as the sum of its expected dividend yield and constant growth rate.

6. Often called the dividend capitalization model. Sometimes called the dividend-yield-plus-growth-rate approach or the discounted cash flow (DCF) approach.

8. may differ from the company's overall cost of capital if division's risk or debt capacity differs from those of the company.

9. A company's after-tax cost of providing the required rate of return on debt.

10. The money you have left to spend or save after taxes and other deductions (required and optional) are taken.

11. For perpetual preferred, it is the preferred dividend, Dps, divided by the net issuing price after flotation costs, (1-F)Pps. required

12. The required rate of return on new debt

13. Flotation costs include commissions, legal expenses, fees, and any other costs that a company incurs when it issue new securities.

14. Managing a budget.

15. Often expressed as F, the total dollar value of flotation costs expressed as a percentage of proceeds

16. A set of goals for spending, saving, and investing the money you receive.

17. A spending and saving plan based on your expected income and expenses.

19. The average coupon rate on a company's outstanding debt; also called the historical rate. Used in rate case hearings for public utilities but not for valuation.