Due : 05/03/2018

1. Find cost of capital for a company of your choice.

Steps involved: Determine equity beta, determine its current capital structure, determine its pre-tax cost of debt (keep in mind that determining cost of debt for companies with low credit rating involves different approach than for companies with low debt rating), determine weighted average cost of capital (r WACC)

1. Propose an expansion project for the company from question 1 in a business area that is different from its current area(s). Find asset return in the proposed area of business. Find weighted average cost of capital of the expansion project assuming that the company would finance it with the same mixture of debt and equity as the rest of the company.