Test 3 Equations

\[ V_d = \text{INT} \left( \frac{1 - (1 + k_d)^{-N}}{k_d} \right) + M (1 + k_d)^{-N} \]

\[ AYTM = \frac{\text{INT} + \left( \frac{M - V_d}{N} \right)}{2(V_d) + M} \left( \frac{3}{3} \right) \]

\[ \text{current yield} = \frac{\text{INT}}{V_d} \]

\[ \text{capital gains yield} = \frac{V_{d,\text{end}} - V_{d,\text{begin}}}{V_{d,\text{begin}}} \]

\[ P_p = \frac{D_p}{k_p} \]

\[ P_0 = \frac{D_1}{k - g} = \frac{D_0(1 + g)}{k - g} \]

\[ P_r = \frac{D_{r+1}}{k - g} \]

\[ \text{Dividend yield} = \frac{D_1}{P_0} \]

\[ \text{Capital gains yield} = \frac{\hat{P}_1 - P_0}{P_0} \]

\[ k_s = \frac{D_1}{P_0} + g \]

\[ k_p = \frac{D_p}{P_p - F} \]

\[ k_s = k_{\text{fd}} + (k_M - k_{\text{fd}}) \beta \]

\[ g = (\text{Retention ratio})(ROE) = (1 - \text{payout rate})(ROE) \]

\[ k_s = k_d + \text{RP} \]

\[ k_e = \frac{D_1}{P_{\text{Net}}} + g = \frac{D_1}{P_0 - F} + g \]

\[ WACC = w_d k_d (1 - t) + w_p k_p + w_{\text{common stock}} k_{\text{common stock}} \]

\[ \text{Retained earnings breakpoint} = \frac{\text{Addition to retained earnings}}{\text{equity fraction}} \]