

$$1. \quad K_{RD} = YTM (1-t)$$

$$2. \quad K_{RP} = \frac{D}{NP} \leftarrow \text{PAR - Issuing Expenses } (1-t)$$

$$3. \quad K_{RE} = \frac{D_1}{NP} + g \leftarrow D_0 \cdot (1+g)$$

$$4. \quad K_{Rre} = \frac{D_1}{P} + g$$

$$5. \quad K_{E+re} = \frac{EPS}{P}$$

$$6. \quad WACC = \frac{D}{V} \cdot K_{RD} + \frac{E}{V} \cdot K_{RE}$$

ex  $K_E = 20\%$  ,  $50\%$   $\rightarrow$   $10\%$

$K_D = 10\%$  ,  $50\%$   $\rightarrow$   $5\%$

15% WACC.

$$\frac{E}{V} \cdot K_{RE} = \frac{CIS}{V} \cdot K_{RE} + \frac{P_p}{V} \cdot K_{RP} + \frac{R_e}{V} \cdot K_{Rre}$$

IF  $YTM = C$       PAR

$YTM > C$       DIS.

$YTM < C$       Prem.