Fin730 Midterm 2016 file 2

Q1) A sentence was given about the broken out, what a technical analyst should use other level discuss (i discussed support and resistance)

Q2)

D1=Rs 2.00

D2=Rs 2.50

D3=Rs 3.13

D4=Rs 3.53

First three years growth rate is 25% and from 4th year the growth rate will decrease to 8% and will remain stable. The required rate of return is 15%.

Calculate if the stock price is overvalued or undervalued if market price is of Rs. 32

Q3) a) Effects of expected EP while selecting stock

B) components of unexpected EPS

Q4) limitation of DDM