

Show all work

1. Determine the price of \$1,000 par value bond that has a ten-year maturity and 8% coupon while the market rate of interest is 10%.
2. Determine the value of a share of preferred stock that has a \$3 dividend while the market rate of interest is 12%
3. Determine the value of a share of common stock that has a \$1 dividend, 5% growth rate, and a required rate of 14%.
4. An IBM bond pays 5% interest and a Florida State bond pays 4%. If you in a 30% tax bracket, which should you purchase? (Assume that the level of risk is the same for both bonds)