Demonstrate with calculations and financial data the questions below:

**The ADT Corporation**

1. What are the operating risks of the company?
2. What is the financial risk of the company (the debt to total capitalization ratio)?
3. Does the company have any preferred stock?
4. What is the capital structure of the company?

Short term portion of Long Term Debt, Long Term Debt, Preferred Stock (if any), and market value of Common Stock issued and outstanding?

1. What is the company’s current actual Beta?
2. What would the Beta of this company be if it had no Long Term Debt in its capital structure? (use the Hamada Formula)
3. What is the company’s current Marginal Tax Rate?
4. What is the Cost of Debt, before and after taxes?
5. What is the Cost of Preferred Stock (if any)?
6. What is the Cost of Equity?
7. What is the cash dividend yield on the Common Stock?
8. What is the Weighted Average Cost of Capital of the company?
9. What is the Price Earnings Multiple of the company?
10. How has the company’s stock been performing in the last 5 years?
11. How would you assess the overall risk structure of the company in terms of its Operating Risks and Financial Risk (Debt to Capitalization Ratio)?
12. Would you invest in this company? Why? Or Why not?

[**http://media.corporate-ir.net/media\_files/irol/11/112348/TYC\_%20ADT\_Corporation\_Form\_10.pdf**](http://media.corporate-ir.net/media_files/irol/11/112348/TYC_%20ADT_Corporation_Form_10.pdf)