H Corp is a growing company. Analysts project the following free cash flow during the next 2 years, after which FCFs are expected to grow at a constant 5% rate. H Corp cost of capital is WACC = 10 %.

Time 1 2 3

FCF 50 75

1. What is the terminal or horizon value at year 2?
2. What is the current value of operations for H Corp?
3. Suppose that H Corp has $100 million in marketable securities, $200 million in debt, and 20 million shares. What is the price per share?
4. If the WACC were to increase to 15%, what would happen to the value of the firm and why? DO NOT RECALCULATE THE VALUE.