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| You’ve collected the following information from your favorite financial Web site. |

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| --- | --- | --- | --- | --- | --- | --- |
| 52-Week Price | | Stock (Div) | Div Yld % | PE Ratio | Close Price | Net Chg |
| Hi | Lo |
| 77.40 | 10.43 | ArchCoal 0.36 | 2.5 | 6 | 13.90 | –0.24 |
| 55.81 | 33.42 | LacledeGrp 1.54 | 3.7 | 10 | 40.43 | –0.01 |
| 130.93 | 69.50 | IBM 2.00 | 2.3 | 10 | 88.97 | 3.07 |
| 50.24 | 13.95 | JCPenney 0.80 | 5.2 | 6 | 15.43 | –0.26 |
| 35.00 | 20.74 | TootsieRoll 0.32 | 1.5 | 28 | ?? | 0.18 |
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| According to the 2009 Value Line *Investment Survey,* the growth rate in dividends for JCPenney for the previous 10 years has been –11 percent. |

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| **Required:** |
| If investors feel this growth rate will continue, what is the required return for JCPenney stock? **(Do not include the percent sign (%).** **Negative amount should be indicated by a minus sign.** **Round your answer to 2 decimal places (e.g., 32.16).)** |

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| --- | --- |
| Required return | % |