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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) | DivYld % | PERatio | ClosePrice | NetChg |
| 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).)** |

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