1. Cash inflow today, cash outflow in future as make up dividends + repurchase shares.

\[ r(-t) = \left( \frac{0.75}{4.13} \right)^{t} + \frac{1}{1+r(t)} = 1 \]

2. 153. lower

4. Increase profits, reduce cash flow

5. Systematic risk is greater than the market

6. fallen

7. \((-1.3 + (70-65)) \times 100\)

8. Rises; offset by an increase in expected return

9. fall

10. own firm's assets + short call on firm's assets