Quiz A: 10/17/12	Name
Quiz 11. 10/1//12	1 tanic

Assume that PanditOut Inc. announces plans to issue additional debt and use the proceeds to repurchase shares of common stock. At the announcement, the prices of PanditOut's common shares and its outstanding bonds fell. Excluding tax issues, how would you explain these reactions?

Wall Street Journal Questions are on the back of this page.