Cost of Capital is an interactive technical note which aims to show students how to calculate the Weighted Average Cost of Capital, also known as the WACC.

It is structured as follows:

- An introduction by the author
- Terms and equations
- Weighted Average Cost of Capital
- A practical case

A paper-based technical note (in pdf format) accompanies this documentation.
Cost of Capital

The first section of this technical note presents the key concepts and equations needed for the exercises which follow and includes a summary of the main points mentioned in the paper based technical note.
Cost of Capital

Using interactive graphs and exercises with feedbacks, students will discover the relationship among different variables and their effects on the WACC and the NPV. An example of some of the variables that the student can change are: the Beta and the financial structure of the company.

This section also includes exercises where the students can change the WACC and see the effect on the NPV.
The practical case
In this section, students are presented with an exercise that uses real data to calculate the WACC for two companies. In the first example all the required data is given, however in the second, the student needs to make an internet search using the financial links provided.