

CFA level 1, CF: Asset Beta vs. Equity Beta

$$\beta_A = \frac{\beta_E}{1 + (1 - t) \times \frac{D}{E}}$$

Where:

- β_A – asset beta,
- β_E – equity beta,
- t – tax rate,
- D – debt,
- E – equity.

Read more at: <http://soleadea.org/cfa-level-1/pure-play-method>
and make your own notes to improve your knowledge retention.

My notes:

Create a free CFA study plan at: <http://soleadea.org/cfa-exam/study-planner>
It will help you control your prep 😊