The levered beta is always the beta for the equity.
The unlevered beta for the company reflects the beta of its assets.
The unlevered beta corrected for cash is the beta of just steel.

**Scenario 1:** You run a regression for the company. The beta you get is a levered beta (beta for your equity) but it reflects the debt to equity ratio you had during the regression period.
For example: assume that your regression beta is 1.15 and the average debt to equity ratio during the regression period was 25% and that your tax rate is 40%.

Levered beta = 1.15
Average D/E over regression period = 25%
Unlevered beta for the company = 1.15/ (1+ (1-.4)(.25)) = 1.00
Cash/ Firm value = 100/(100+400) = 20%
Unlevered beta corrected for cash = 1.00/ (1-.20) = 1.25
[This is how we get the bottom up betas for industries. Substitute in the average regression beta, average debt to equity ratio and average cash/firm value for the industry.]

**Scenario 2:** You have been given the beta for the steel business of 1.25 and are trying to get a beta of equity.
Unlevered beta for steel = 1.25
Unlevered beta for company = 1.25 (400/500) + 0 (100/500) = 1.00
Levered beta for equity today = 1.00 (1+ (1 -.4) (200/300)) = 1.40

Try these exercises out on your own (the answers are in brackets for you to check):
1. What would the right beta to use for the equity for this firm, given its current D/E ratio? (1.40)
2. Estimate what the beta for equity will become if the firm used all of its cash to pay down debt? (1.50)
3. Estimate what the beta of equity will become if the firm used all of its cash to pay a dividend? (2.00)
4. Estimate what the beta of equity will become if the firm acquired a software company with its cash (and the software business has a beta of 2.00. (1.96)
You get the drill. Be creative.. Try everything you can (sell half the steel business, borrow money money, buy back stock....)