

Respond to the following prompts by reading the scenario and applying what you have learned so far. Assume there's no broker fee for dividend payments.

Natalia used a cash account on e*Trade to buy 875 shares of Verizon stock on June 17th, 2013 at \$27.18. She sells on August 25th of the following year at a price of \$33.81. Her fees for e*Trade are \$9.99 per trade (buy or sell). Verizon paid a 12% stock dividend when the share price was \$31.50.

- ♣ Determine Natalia's total profit or loss on Verizon.

- ♣ What % return did she earn on Verizon?

- ♣ If she could have taken that same money and put it into a savings account that would have earned 4% interest (total, not annual) over that span of time, how much more or less did her Verizon investment make?

Use *Yahoo! Finance* for this prompt: Francesca used a cash account at Citibank to buy 14,000 shares of Coca Cola stock on May 13th, 2014 when the share price was _____. She eventually sold all the shares on October 8th, 2015 when the share price was _____. Her broker takes a fee of 1% of the total transaction value of each purchase or sale.

- ♣ Determine Francesca's total profit or loss on Coca-Cola. Note that there are dividends listed on the stock's chart.

- ♣ What % return did she earn on Coca-Cola?

- ♣ Ignoring her appreciation of FMV, what was her dividend income alone for this position?

Vincent invested \$122,706 in HP stock on some date in the past. On the date that he sold, the FMV had appreciated by 18% from when he bought it.

- a) Determine the FMV at the date of sale.
- b) Ignore (a). If he initially bought shares at a price of \$48.12, determine the price at the date he sold.
- c) Ignore (a) and (b). If the price when he sold was \$28.39, determine the price on the date he bought. If the fees for these transactions were 0.4% of the total of each transaction, determine the total he paid in fees.
- d) Ignore all of the above. If he initially bought shares at a price of \$48.12, determine the number of shares he bought.

Chloe shorted 12,000 shares of Delta Airlines stock (DAL) on 12/24/15 when the share price was _____. She eventually closed the position on 2/9/16 when the share price was _____. Her broker takes a fee of 1% of the total transaction value of each purchase or sale. Determine her total profit or loss on this position.

If she had done the same with United Airlines (UAL) instead over the same dates, would she have performed better or worse?