

## Activity Sheet 3: Stock Market Calculations

1. You purchased 100 shares of Nike at \$47.75 per share. A year later you sell your 100 shares for \$62 per share. Did you make a profit or lose money? How much money did you make or lose? Explain how you calculated your answer.
2. You purchase 259 shares of Sonic Corporation for \$24.38 per share. What is the total cost of your purchase? You later sell your shares at the current market price of \$22.12. Did you make a profit or was this a losing investment? How much money was your profit or loss? Explain how you calculated your answer.
3. Shares in Starbucks Coffee sold for \$57.12 per share eighteen months ago; you purchased 100 shares. You just sold your shares at \$68.38 per share. How much profit did you make on the sale?
4. You own a total of 450 shares in three companies. The number of shares and their current prices are: 175 shares of Gillette—\$71.38 per share for shares; 189 shares of General Electric—\$34.25 per share; and 86 shares of Hershey Foods— \$52.68 per share. What is the value of your portfolio?
5. Using the information from questions 1, 2, and 3 above, determine your total profit or loss from the sale of stock in Nike, Sonic and Starbucks.
6. Could you have made money on the stocks you owned without selling them? How is that possible?

## Activity Sheet 3: Answer Key

1. You purchased 100 shares of Nike at \$47.75 per share. A year later you sell your 100 shares for \$62 per share. Did you make a profit or lose money? How much money did you make or lose? Explain how you calculated your answer.

**You made a profit of \$ 1,425.00**

Bought 100 X 47.75 = \$ 4,775.00

Sold 100 X \$ 62.00 = \$ 6,200.00

\$ 6200 (Sold) – \$ 4775.00 (Bought) = \$ 1,425.00 (Profit)

2. You purchase 259 shares of Sonic Corporation for \$24.38 per share. What is the total cost of your purchase? You later sell your shares at the current market price of \$22.12. Did you make a profit or was this a losing investment? How much money was your profit or loss? Explain how you calculated your answer.

**This investment was a loss of \$ 585.34**

Total price of purchase:

Bought 259 X \$ 24.38 = \$ 6,314.42

Sold 259 X \$ 22.12 = \$ 5,729.08

\$ 5,729.08 (Sold) - \$ 6,314.42 (Bought) = - \$ 585.34

3. Shares in Starbucks Coffee sold for \$57.12 per share eighteen months ago; you purchased 100 shares. You just sold your shares at \$68.38 per share. How much profit did you make on the sale?

**A profit of \$ 1,126.00**

Bought 100 X \$ 57.12 = \$ 5,712.00

Sold 100 X \$ 68.38 = \$ 6,838.00

\$ 6,838.00 (Sold) - \$ 5,712.00 (Bought) = \$ 1,126.00

4. You own a total of 450 shares in three companies. The number of shares and their current prices are: 175 shares of Gillette—\$71.38 per share for shares;

189 shares of General Electric—\$34.25 per share; and 86 shares of Hershey Foods— \$52.68 per share. What is the value of your portfolio?

**\$ 23,495.23**

175 shares Gillette X \$ 71.38 = \$ 12,491.50

189 shares General Electric X \$34.25 = \$ 6,473.25

86 share Hershey Foods X 52.68 = \$ 4,530.48

\$ 12,491.50 + \$ 6,473.25 + \$ 4,530.48 = \$ **23,495.23**

5. Using the information from questions 1, 2, and 3 above, determine your total profit or loss from the sale of stock in Nike, Sonic and Starbucks.

**\$1,425.00 - \$ 585.34 + \$ 1.126.00 = \$1965.66**

6. Could you have made money on the stocks you owned without selling them? How is that possible?

You could make money by holding the stocks and obtaining stock dividends paid by the companies.