

2/19/2020

1.1

Business Organization

Capital: money to start or expand.

Sole proprietorship: 1 owner

Profit: money left over after all expenses

Personally liable: any losses the owner

Partnership: group of people share profits; expenses

Corporation: 1 person or group of people.

* You can lose the value (\$) of the stocks but not the number of stocks you own.

of stock cannot lose more than the value of his/her share in business

Limited Liability: each owner

receive stock certificate

Shareholders

→ owners of stock

in the cooperation.

who invest money

→ Shares of stock: owner

Think Stock
Ticker

Public
Cooperation:

When anyone
can purchase
stock in a corporation.

240,000 / 15,000

6.25% = 0.0625 = $\frac{240,000}{15,000} \div$

Formula: $\frac{\text{Investment}}{\text{total}}$

ALL partners

\$15,000 partnership has 4 other partners.

EX1

pgs. 5-6

1.1 day 2

Ex 2

650,000 shares of stock
Bullsh*t Corp.

Mike 12% shares

$$\frac{\text{part}}{\text{total}} = \frac{12}{100} = \frac{N}{650,000}$$

$$12 / (650,000) = 100 \times$$

$$7,800,000 = 100 \times$$

Shows
 $N = 78,000$

CWK: pgs 7-8 #2-9 odd

$$\begin{aligned}
 5(X) &= 5(90,000) = \$450,000 \\
 3(X) &= 3(90,000) = \$270,000 \\
 2(X) &= 2(90,000) = \$180,000 \\
 X &= 90,000
 \end{aligned}$$

$$\frac{10X}{10} = \frac{900,000}{10}$$

$$2X + 3X + 5X = 900,000$$

Ration 2:3:5
 Marlee Alexandra Hailey

3 partners = \$900,000
 G: L share

F_{X^3}

2/26/2020

1.2

Stock Market



Stock Market: institution

through which stocks are bought & sold.

Trades: the transactions on the stock market.

NYSE: New York Stock Exchange

NASDAQ: National Association of Securities Dealers

Automated Quotation System.

Last: price per share of the last trade.

Close: closing price.

Last price (share) at closing

High: highest price

Low: lowest price

Volume: # of shares of a stock traded in a given time.

e-trade

Shandong Idv:sem

Nerd wallet

trades made after
market closes.

After hours
trading:

change from
previous day
& current day
price.

Change or Net
change:

52-week low: lowest price

52-week high: highest price
per share

$= 1.03\%$

$= 0.01034 \times 100$

$\frac{4959}{50.10 - 4959} \times 10$

$\frac{\text{Open-Close}}{\text{Close}} \times 100$

EX4

3200000 shares

EX2
32000 x 100

848.59
May 4TH

52.20 - 2.61

EX3

\$ 3.60

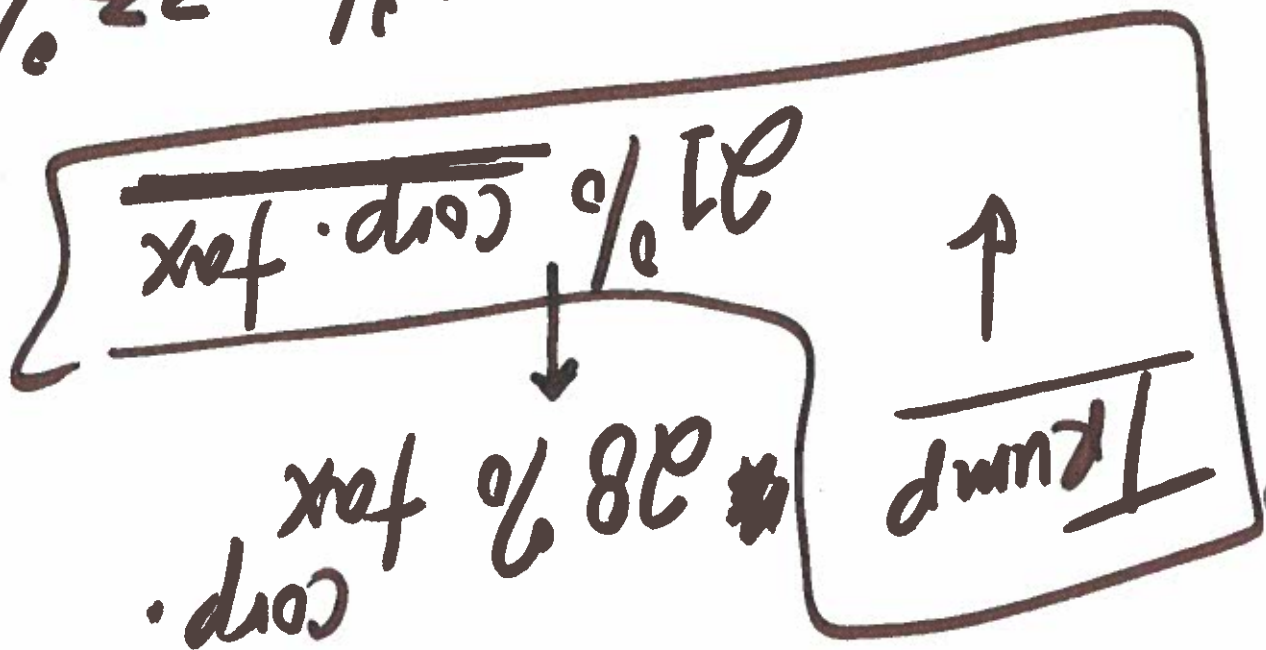
52.60 - 49.00

pg. 10

EX1

Amazon 0%
Google 28% -
-28%

Individuals → 28% - 33%



\$53.00

1616 per month
30
12
Faculty

\$19,400

180 hrs

\$28,000
\$1,600
12,000

X.3
40,000

\$60,000

\$92,000

\$52,000
40,000

\$48,000
4,000

120
Credit

120
40

3 credits

1200
40

FX5

$\frac{\$1750,000}{240,000} = 7.29$
 20 yrs.
 \$240,000
 \$240,000

Masters/Doctorate

$\$100,000$

Job 3

$\$1,080,000$

20 yrs

\$120,000

\$500 payment
20 yrs

\$50,000
4 year year

$\$60,000$

Job 2

20 yrs
 $\frac{\$1,000,000}{100,000}$

$\$225,000$

\$25,000
\$25,000
5 yrs

5 yrs

\$5,000 ~ \$250

9 month cert

$\frac{\$50,000}{5}$

Job 1

CMK: ←
pgs. 14-15
2-8

2/28/2020

1.3 Stock Data

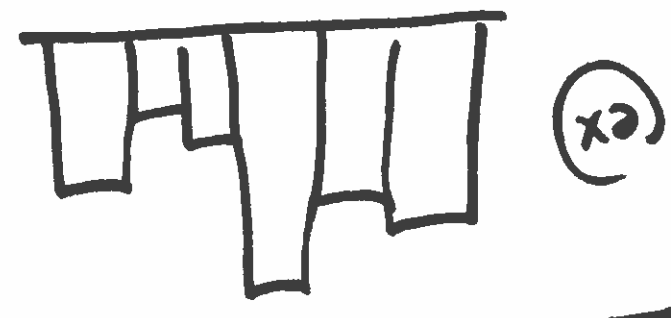
Charts



Stock chart: picture of information on any stock.



Stock Bar chart: Bar Graph

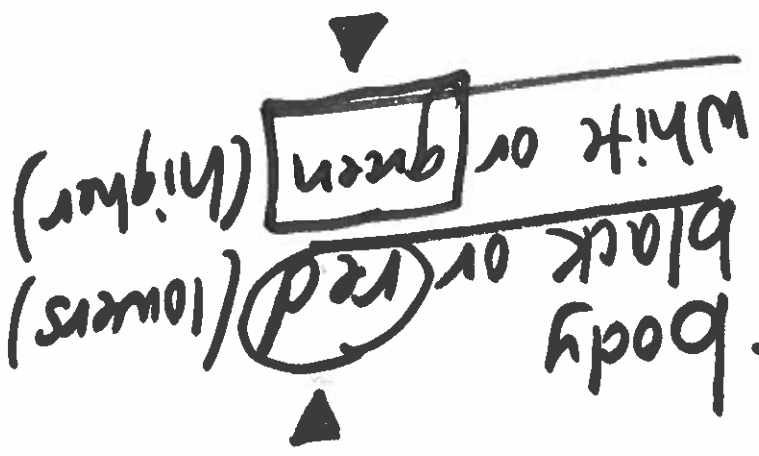


Top-day trading: high price

Bottom-day trading: lowest price

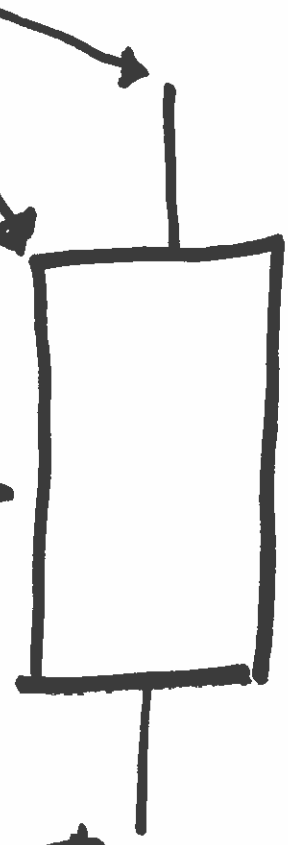
work: 20:21 #2-9

lowest price of the day
open or close price



open or close price

highest price for the day



Candlestick Charts:

Ex 1 pg 17

3/4/2020
1.5 Stock Market
← Ticker →

Dow Jones Industrial Average:

→ daily trading action of
30 large public companies.

* telecommunications, pharmaceuticals,
retails, insurance, broadcasting,

Ticker: Thomas Edison in 1869

- stock symbol
- shares traded
- price of share of stock

Directional Arrows
▲ up ▲ less
▼ greater ▼ less
} previous day price

price per share
\$2.00 share bought 10K

Trading price : volume

→ NASDAQ 4 letters

→ NY Stock Exchange
1, 2, or 3 letter symbols

Stock Symbol
or Ticker symbol

Brand
K0

Shares
3K

now price @ 57

▼ 0.25
yesterday change

(Fx2)

3,000 Coke Shares (K0)

\$57

(Wkd) Jan Short

used @ 57.25 (Tues)

V = Visa Shares

12K = 12,000

\$87.33 ▼ price went up

(Fx1)

√ 12K @ 87.32 ▼ 0.12

pps. 33-34 #2-9

5 Stocks

55.05

~~55.05~~

day before
down 0.17



0.17 ▼

price that day



54.88



15K @

15,000 shares that day



Target



TGT

EX3

3/6/2020 1.6 Stock Transactions

portfolio: all stocks you own

Diversified portfolio:
different companies
different industries

Trade: buying or selling stock

Round Lots: buying stocks multiples of 100 shares.

Odd Lots: less than 100

* No Profit until you sell the stocks.

you lose money
on your stocks

Gross Capital Loss:

Difference between
selling price & purchase
price (profit)

Gross Capital Gain:

1.7 Stock Transaction Fees:

Stockbroker: purchase/sell stocks through (Licensed)

Broker fee: Flat fee, or
Commission based
on value of stocks.

Discount Broker: Charge low fees,
do NOT give an advice.
-online, person, by phone.

Limit Order: Specific price you
want to pay.

Net Proceeds: amount of money you make after broker fees subtracted.

Ex 1
Gonja \$1.00
\$12 per trade
\$2000 worth of stock

2000
Cost 2,000 + 12 x 2000
Cert. of stocks ←

2000 x 2000
\$160,000
e-trade broker
Shares

550

5/20 - 5/50
month

48 yrs. old

18 yrs old

1/2 higher
1/2 lower

30 stocks
per month

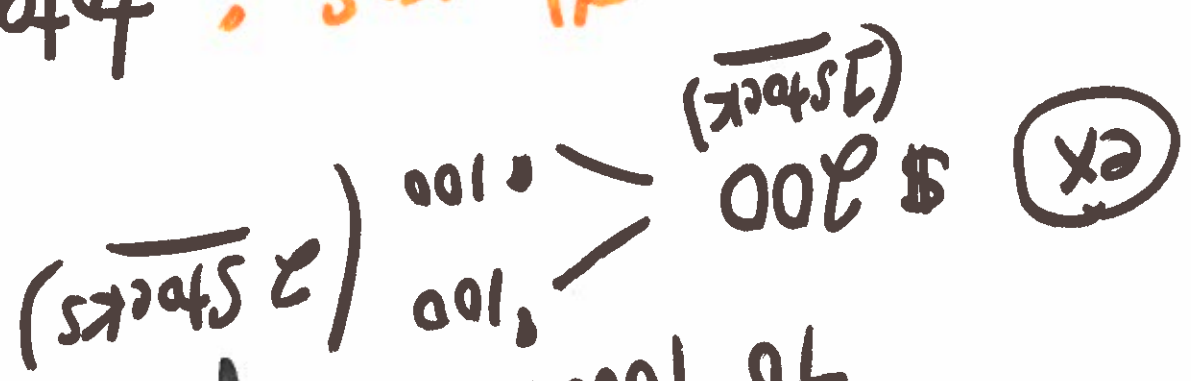
334 stocks
30 / 10,000 shares
28 months
334

3/9/2020

1.8 Stock Splits

Stock Splits:

dividing a stock into 2 stocks to lower the price.



Outstanding

Shares:

total number of shares issued by a corporation that are in investors' hands. Market Capitalization / market cap:

Fetal value of company's
outstanding shows.

Traditional
Stock-Split:
Higher Value

2 shares for every 1 share held while price per share is cut in half.

300 stocks @ \$50 share = \$15,000
600 stocks @ \$25 share = \$15,000

2 for 1

Reverse Stock Split:

number of shares Reduced
and market share increases.

Penny Stocks: under \$5.00 per share.

1 for 2 : own 1 shares worth 2 shares

100 shares 200 shares
\$2.00 per share \$1.00 per share
\$200.00 \$200.00

→ pre-split: price: before split
→ post-split price: after split

$\$1400.00$

3.5 shares
 3.5×400

3.5 shares

$0.5 \times$

$\frac{1}{2}$

\times

$\$400 =$

$\$200.00 =$

Formula:
Fractional part
 \times market price.

less than 1 share remaining,
buying the fractional share
at current price.

Fractional Part of a Share:

CWR: 49-50
2-7

\$16,800
x 70
240

$X = 70$

$X = 240$ shares

$$\frac{4}{5} = \frac{x}{300}$$

$$\frac{4}{5} \cdot \frac{1}{56} = \frac{280}{4}$$

\$16,800
x 56
300

5-4 split
first - 210

1.9 Dividend Income (FA)

Dividend: profit split among shareholders

Dividend Income: money received from dividends

(paid annually or quarterly) based on amount of stocks ~~you own~~ owned
→ Major "stocks" that have dividends
→ Major "Div"

Income Stocks: Stocks that pay dividends (provide owners with income)

Yield: percentage value of the dividends, compared to current price per share.

Growth Stocks: Stocks bought at low price, sold for higher price

(4)

~ 2.4%

$$y = \frac{1.40}{57.40} = 0.024 = 2.43\%$$

annual dividend \$1.40
\$57.40 per share

Yield = $\frac{\text{Annual Dividend per Share}}{\text{Current price of one share}}$

Ex 3

\$4080 per year

$$2000 \times 0.51 = 1020 \times 4 = \$4080$$

2000 share quarterly \$0.51 per share

Ex 2

\$1,491 dividend income

$$700 \times 2.13 = 1491$$

700 shares for \$45.16

\$2.13 per share

Ex 1