

Read Chapter 20 p. 733.
 Complete only the ones that are circled

ASSESSMENT TEST



Calculate the preferred and common stock dividend per share for the following companies.

Company	Common Stock Shares	Preferred Stock			Dividend Declared	Arrears	Preferred Div./Share	Common Div./Share
		Shares	Div. or Par.	Cum.				
1. Goodyear	22,000,000		none		\$ 7,900,000	none		
2. Hasbro	5,000,000	1,000,000	\$3.20	yes	8,500,000	1 year		
3. Chrysler	80,000,000	3,400,000	\$100, 5%	yes	58,000,000	2 years		

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Use Exhibit 20-3, Stock Market Quotation Table, on page 738, to fill in the blanks for Exercises 4-7.

Name _____

Class _____

4. Caterpillar Inc. - Open, High, Low, and Close: _____
5. Which stock had the lowest volume? How Much? _____
6. Wal-Mart Stores Inc. - Dividend, Yield, P/E: _____
7. Which stock had the highest year-to-date percent change? How much? _____

Calculate the missing information for the following stocks.

Answers _____

1. _____

2. _____

3. _____

4. _____

5. _____

Company	Earnings per Share	Annual Dividend	Current Price per Share	Current Yield %	Price-Earnings Ratio
8. Federal Express	\$3.20	\$1.50	\$69.25		
9. Merck		\$1.12	\$33.50		16
10. Office Depot	\$2.10	\$4.8		1.2	
11. Loews Corp.			\$89.75	1.9	10

Calculate the total cost, proceeds, and gain or (loss) for the following stock market transactions.

Company	Number of Shares	Purchase Price	Selling Price	Commissions			Total Cost	Proceeds	Gain or (Loss)
				Buy	Sell	Odd Lot			
12. Olin	400	\$39.25	\$44.75	2%	2%				
13. Limited	630	24.13	19.88	3	3	add 1%			
14. Exxon	200	61.50	71.25	2	2				
15. IBM	850	45.50	53.75	1.5	1.5	add 1%			

6. _____

7. _____

8. _____

9. _____

10. _____

11. _____

12. _____

13. _____

14. _____

15. _____

16. a. _____

b. _____

16. The board of directors of Eastwood Corp. has declared a dividend of \$16,000,000. The company has 800,000 shares of preferred stock that pay \$4.90 per share and 8,200,000 shares of common stock.

- a. What are the dividends due the preferred shareholders?
- b. What is the dividend per share of common stock?

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17. Flamingo Financial has 500,000 shares of \$100 par value, 6.5%, cumulative preferred stock and 8,400,000 shares of common stock. Although no dividend was declared for the past 3 years, a \$19,000,000 dividend has been declared for this year.

- a. How much is due the preferred shareholders?
- b. What is the dividend per share of common stock?

18. Fuller Laboratories is currently selling at \$27.48. The earnings per share are \$2.69, and the dividend is \$.70.

- a. What is the current yield of the stock?
- b. What is the price-earnings ratio?

19. You purchase 350 shares of Universal Airlines common stock at \$12.38 per share. A few months later, you sell the shares at \$9.88. Your stockbroker charges 3% commission on round lots and an extra 1.5% on odd lots.

- a. What is the total cost of the purchase?
- b. What are the proceeds on the sale?
- c. What is the gain or loss on the transaction?

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Class _____

Answers

17. a. _____

b. _____

18. a. _____

b. _____

19. a. _____

b. _____

c. _____

20. _____

21. _____

22. _____

23. _____

24. _____

25. _____



Use Exhibit 20-5, Corporate Bond Quotation Table, on page 749, to fill in the blanks for Questions 20–25.

20. MGM Mirage – Symbol, Coupon, Maturity: _____

21. Diageo Finance BV – Rating, Yield %: _____

22. Which bond had the lowest “Last” price? How much? _____

23. Which bond had the greatest “Change”? How much? _____

24. General Motors, GM, GC – High, Low, Last: _____

25. Monsanto – Rating, Change, Yield %: _____

37 Harbor Funds, Bond – Net asset value, Change: _____

38. Which mutual fund has the highest 3-year percent change? How much? _____

Calculate the sales charge and sales charge percent for the following mutual funds.

Fund	Offer Price	Net Asset Value (NAV)	Sales Charge	Sales Charge %
39. Quest for Value: CA TE	\$10.88	\$10.36	_____	_____
40. Sentinel Group: EmGr	\$5.59	\$5.31	_____	_____

Calculate the net asset value and number of shares purchased for the following mutual funds. Round shares to thousandths, three decimal places.

	Total Assets	Total Liabilities	Shares Outstanding	Net Asset Value (NAV)	Offer Price	Total Investment	Shares Purchased
41.	\$30,000,000	\$1,800,000	4,000,000	_____	\$7.80	\$50,000	_____
42.	58,000,000	3,700,000	7,100,000	_____	NL	25,000	_____

Calculate the total cost, proceeds, total gain or (loss), and return on investment for the following mutual fund investments. The offer price is the purchase price of the shares and the net asset value is the price at which the shares were later sold.

	Shares	Offer Price	Total Cost	Net Asset Value (NAV)	Proceeds	Per Share Dividends	Total Gain or (Loss)	Return on Investment %
43.	100	\$13.40	_____	\$11.80	_____	\$.75	_____	_____
44.	500	12.65	_____	15.30	_____	.63	_____	_____
45.	1,000	9.40	_____	12.82	_____	.96	_____	_____

46. A mutual fund has an offer price of \$8.90 and a net asset value of \$8.35.

- What is the sales charge?
- What is the sales charge percent?

47. A mutual fund has total assets of \$25,000,000 and liabilities of \$1,500,000. If there are 2,600,000 shares outstanding, what is the net asset value of the fund?

48. Karl Hellman invested a lump sum of \$20,000 in a mutual fund with an offer price of \$11.80. How many shares did he purchase?

49. Rick Dominick purchased 800 shares of Three Sisters Value Fund for an offer price of \$6.90 per share. He later sold the shares at a net asset value of \$8.60 per share. During the time he owned the shares, the fund paid dividends of \$.24 and \$.38 per share. What is Rick's return on investment?

Name _____

Class _____

Answers

- _____
- _____
- _____
- _____
- _____
- _____
- _____
- _____
- _____
- a. _____ b. _____
- _____
- _____
- _____
- _____

Calculate the accrued interest and the total purchase price of the following bond purchases.

Company	Coupon Rate	Market Price	Time Since Last Interest	Accrued Interest	Commission per Bond	Bonds Purchased	Total Price
26. Conagra	8.25%	\$93.375	2014/65 days	64.39.83	\$5.00	10	
27. Dell	7.375	78.50	100 days		9.50	5	
28. Chevron	5.625	105.75	3 months		7.00	15	

Calculate the accrued interest and the total proceeds of the following bond sales.

Company	Coupon Rate	Market Price	Time Since Last Interest	Accrued Interest	Commission per Bond	Bonds Sold	Total Proceeds
29. Upjohn	7.375%	\$94.50	10 days		\$6.00	10	
30. Brunswick	8.875	109.25	4 months		5.00	20	
31. Pet	9.25	98.00	85 days		8.00	5	

Calculate the annual interest and current yield for the following bonds.

Company	Coupon Rate	Annual Interest	Market Price	Current Yield
32. Duracell	5.375%		\$94.125	
33. Seaboard	9.5		\$105.75	

34. On May 1, Emerson Fast bought 10 Serenity Ridge bonds with a coupon rate of 7.875%. The purchase price was \$101.375, and the commission was \$8.00 per bond. Serenity Ridge bonds pay interest on April 1 and October 1.

a. What is the current yield of the bond?

b. What is the total purchase price of the bonds?

c. If Emerson sold the bonds on August 1 for \$109.50, what are the proceeds from the sale?

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Answers

26. _____

27. _____

28. _____

29. _____

30. _____

31. _____

32. _____

33. _____

34. a. _____

b. _____

c. _____

35. _____

36. _____

Use Exhibit 20-6, Mutual Fund Quotation Table, on page 756, to fill in the blanks for Questions 35–38.

35. Which mutual fund has the highest net asset value? How much? _____

36. Delaware Invest B, SelGrowBt – Symbol, Year-to-date percent return: _____