ECE 150 Fall 2020

Project 4

Due: 11:59pm, Sunday November 29, 2020

1. Overview

Your first co-op happens to be at an investment firm called Mo-Money. Mo-Money is a newcomer in Canada, and it is primarily interested in deploying a new service to Canadians known as a robo-advisor. Robo-advisors are web-based platforms that automate entire financial planning and investment services from asset allocation, purchasing investment products, rebalancing, and tax reporting with virtually no human involvement. Mo-Money only deals with one specific type of investment product known as exchange-traded funds (ETFs). These are low-cost investment products that are often identified by their ticker symbols on the stock exchange. For example, the Vanguard Growth Portfolio ETF is found by VGRO, and BMO Aggregate Bond Index ETF is found by ZAG on the stock exchange. You can search for it on https://finance.google.ca.

One important part of the service that the robo-advisor provides is generating documents for tax reporting to the Canadian Revenue Agency (CRA). You will implement one particular component of this service known as adjusted cost base (ACB) reporting for ETFs, which is essential when filing taxes that report capital gains or losses on ETF investments. The reason for its importance is that incorrectly computing ACB may result in the client either overpaying in taxes or underpaying; both of which are undesirable for the client.

Easy as ACB: Computing gains and losses using ACB

We will use an example to illustrate the steps necessary to compute the ACB. Suppose that Mo-Money has a client called Rupert who has purchased a different number of shares of VGRO over the course of the year. A share is simply a unit of the product. For example, on January 10, 2018, Rupert bought 150 shares of VGRO for the total amount of $10300.14. Throughout the year, Rupert made additional purchases of the same ETF. Below is Rupert's purchase history for the year for the VGRO ETF.

Trade date	Transaction Type	Shares	Amount Paid
10-Jan-18	Buy	150	$10,300.140
24-Feb-18	Buy	85	$7,423.050
8-Aug-18	Buy	43	$3,367.760
11-Nov-18	Buy	78	$7,028.580

In December of 2018, Rupert needed to sell some of his shares. He made two sells that are shown below with the amounts he received for each sell transaction.

Trade date	Transaction Type	Shares	Amount received
8-Dec-18	Sell	55	$5,958.150
22-Dec-18	Sell	80	$2,817.600

For tax reporting purposes, whenever a share is sold, the CRA needs the client to report if there are any capital gains or losses (this is a simplification, please consult the appropriate tax documentation for details – not required to complete this project). A capital gain is an increase in value of the investment product, and a capital loss is a loss in the value of the investment product. These are important because the client must pay a tax on the capital gains to the CRA, and on a loss, the client can claim it as a deduction.

We are only interested in computing the capital gains or losses incurred due to any shares being sold. In order to make this computation, we need to maintain the ACB, and its ACB per share for every buy and sell transaction. Below are the computed values of the ACB, share balance after the transaction, and the ACB/Share for every Buy performed for Rupert.

Note: it is important that the transactions in a year must be sorted in ascending order of the trade date in order to correctly perform the computations.

Purchasing shares

Trade date	Transaction Type	Shares	Amount Paid	ACB	Share Balance	ACB/Share
10-Jan-18	Buy	150	$10,300.140	$10,300.140	150	$68.668
24-Feb-18	Buy	85	$7,423.050	$17,723.190	235	$75.418
8-Aug-18	Buy	43	$3,367.760	$21,090.950	278	$75.867
11-Nov-18	Buy	78	$7,028.580	$28,119.530	356	$78.987

To compute the **ACB** on a Buy, we simply accumulate the total amount paid for the purchases. For example, Rupert's purchase on 24 February 2018 of 85 shares required him to pay $7423.05. The ACB after this purchase is the sum of his first purchase cost of $10300.14 added with $7423.04, which amounts to $17723.19.

To compute the **Share Balance** on a Buy, we add the share balance from the previous transaction with the number of shares purchased with the new transaction. For example, Rupert's purchase on 24 February 2018 resulted in 85 new shares being purchased. Thus, the previous share balance of 150 is added to 85 to give a share balance of 235.

To compute the **ACB/Share** on a Buy, divide the ACB by the Share Balance. For example, the ACB/Share for Rupert's 24 February 2018 transaction was computed as follows: (17723.190/235), which gives $75.418.

Notice the importance of the ACB/Share: since purchases of an ETF may take place multiple times throughout the year with different prices being paid for them, the ACB/Share reflects the average cost for each share over the history of the stock.

Selling shares

For transactions that Sell shares of the ETF, we need to update the ACB, Share Balance, and ACB/Share. In addition, because the client receives investment income from the sell, we have to compute the Capital Gain and Loss (CGL). The table below shows the sells appearing after all the purchases we already saw earlier.

Trade date	Transaction	Shares	Amount Paid	ACB	Share Balance	ACB/Share	Capital Gains/Loss
10-Jan-18	Buy	150	$10,300.140	$10,300.140	150	$68.668	$0.00
24-Feb-18	Buy	85	$7,423.050	$17,723.190	235	$75.418	$0.00
8-Aug-18	Buy	43	$3,367.760	$21,090.950	278	$75.867	$0.00
11-Nov-18	Buy	78	$7,028.580	$28,119.530	356	$78.987	$0.00
8-Dec-18	Sell	55	$5,958.150	$23,775.22	301	$78.987	$1,613.84
22-Dec-18	Sell	80	$2,817.600	$17,456.23	221	$78.987	-$3,501.40

To compute the **ACB** on a Sell, subtract the number of shares sold multiplied (55) by the **ACB/Share** resulting from the previous transaction ($78.987 from the Buy on 11 November, 2018). For example, the Sell transaction on 8 December 2018, the following computation is done: $28119.53 − (55*78.987), which is equal to $23775.22.

The **Share Balance** is simply the previous Share Balance minus the number of shares sold. For the Sell transaction on 8 December 2018, 356 − 55 gives 301 as the new Share Balance.

Notice that the **ACB/Share** for the Sell is computed the same way as the Buy transaction. That is, $23775.22/301, which results in $78.987. Note that the ACB/Share only changes with purchases, and not on sells.

On a Sell, we must compute the Capital Gain and Loss (**CGL**). To compute the CGL, we subtract the number of shares sold multiplied by the ACB/Share from the previous transaction. For the transaction on 8 December 2018, we perform the following subtraction: $5958.15 − (55*$78.987), which results in a capital gain of $1613.84. A positive CGL value means that the Sell resulted in capital gains, and a negative CGL value means that the Sell resulted in a capital loss.

Note the transaction on 22 December 2018. Rupert's sell of 80 shares at an unfavourably low price resulted in him receiving $2817.60 for the transaction. This was because of an unfortunate stock market downturn. Once again, using the approach above, the resulting CGL is $2817.60 − (80*$78.987), which gave -$3501.40.; a capital loss.

Since taxation reporting is done on a yearly basis, the CRA needs to know if there was a total capital gain or capital loss in that year. This is typically computed by summing up the CGL values for the entire calendar year. For this example, since there was one Sell transaction that resulted in a capital gain, and another Sell in a capital loss, the total CGL to be reported is -$1877.55.

2. Provided code

You can use the following functions to read the input from a text file. These functions are provided in a file called `project4.hpp`. Notice that there is an `ece150::` similar to the standard library namespace `std::` that is used for calling each of these functions.

Accessing a transaction from the input file.

void ece150::open_file()

This opens the file named `transaction_history.txt` for reading. This function must be called before any of the provided functions.

void ece150::close_file()

This closes the file named `transaction_history.txt` for reading. This function must be called once the reading of the file is complete.

bool ece150::next_trans_entry()

This function allows the reading of the next transaction in the input file. This function returns `false` if there are no more transactions to be read, and `true` otherwise. It is an undefined operation to call this function if `ece150::open_file()` has not yet been called (meaning, the behavior is undefined; it may return garbage, it may throw an error, etc.).

This function steps through the input file one transaction at a time. There is no way to go back to the previous transaction once the `next_trans_entry()` is called.

Accessing individual inputs of a given transaction.

All the functions below are reading different fields of the transaction entry. Therefore, you must have requested the reading of a valid transaction using `next_trans_entry()` prior to calling the functions below.

std::string ece150::get_trans_symbol()

This function returns the ETF symbol as a `std::string` in the transaction entry.

unsigned int ece150::get_trans_day()

This function returns the day of the trade date for the transaction being read from the file.

unsigned int ece150::get_trans_month()

This function returns the month of the trade date for the transaction being read from the file.

unsigned int ece150::get_trans_year()

This function returns the year of the trade date for the transaction being read from the file.

unsigned int ece150::get_trans_shares()

This function returns the number of shares bought or sold for the transaction being read from the file.

bool ece150::get_trans_type()

This function returns `true` if the transaction type is a Buy and `false` if it is a Sell for the transaction being read from the file.

double ece150::get_trans_amount()

This function returns the amount paid or the amount received for the transaction being read from the file.

3. Tasks

You will implement one component for the robo-advisor. This component automatically computes the CGL.

To accomplish this, you will read the transaction history from a text file using the provided code above, and create a linked list using the input from the text file. To implement this linked list, you will need to implement two classes: `Transaction`, and `History`. We provide the declarations for each of the class member functions in `Transaction.hpp` and `History.hpp`. We also provide definitions for some member functions in `History_Transaction_definitions.cpp`. You will complete only a select few member functions for both of these classes, and implement them in the `History_Transaction_definitions.cpp`. You will only need to submit this `History_Transaction_definitions.cpp` file, which has also been provided to you. The explanation below provides some context regarding the functions, member variables, and then the tasks that you must complete.

The Transaction class

The `Transaction` class will store information pertinent to a single transaction. The following will be `private` members of the `Transaction` class.

```
unsigned int trans_id;
```
        Stores a unique transaction identifier for every transaction.

```
unsigned int day;
```
        Stores the day of the trade date.

```
unsigned int month;
```
        Stores the month of the trade date.

```
unsigned int year;
```
        Stores the year of the trade date.

```
std::string symbol;
```
        Stores the ticker symbol as a `std::string`.

```
std::string trans_type;
```
        Stores 'Buy' if the transaction is a Buy, and 'Sell' if it is a Sell.

```
unsigned int shares;
```
        Stores the number of shares after this transaction completes.

```
double amount;
```
        Stores the amount (amount paid or earned).

```
Transaction *p_next;
```
        Stores the address of the next `Transaction` in the linked list.

The following will be `public` member functions for the `Transaction` class.

```
Transaction( std::string ticker_symbol, unsigned int day_date,
              unsigned int month_date, unsigned year_date,
              bool buy_sell_trans, unsigned int number_shares,
              double trans_amount );
```
This constructor assigns the parameters to their respective `private` member variables.

```
~Transaction();
```
Default destructor.

```
bool operator<( Transaction const &other );
```
This overloaded operator implements the less-than operator to allow comparing the trade date. A date is less-than another when it comes chronologically before the latter.

```
std::string get_symbol() const;
```
Returns the ticker symbol.

```
unsigned int get_day() const;
```
Returns the day of the date the transaction occurred.

```
unsigned int get_month() const;
```
Returns the month of the date the transaction occurred.

```
unsigned int get_year() const;
```
Returns the year of the date the transaction occurred.

```
unsigned int get_shares() const;
```
Returns the number of shares for the transaction

```
double get_amount() const;
```
Returns the amount paid or earned for the transaction.

```
double get_acb() const;
```
Returns the adjusted cost base for the transaction.

```
double get_acb_per_share() const;
```
Returns the adjusted cost base per share.

```
unsigned int get_share_balance() const;
```
Returns the share balance.

```
double get_cgl() const;
```
Returns the capital gain or loss for that transaction.

```
bool get_trans_type() const;
```
Returns true if the transaction is a Buy and false if it is a Sell.


```
unsigned int get_trans_id() const;
```
Returns the transaction identifier.

```
Transaction *get_next();
```
Returns the p_next pointer.

```
void set_acb( double acb_value );
```
Sets the ACB private member variable

```
void set_acb_per_share( double acb_per_share_value );
```
Sets the ACB per share private member variable

```
void set_share_balance( unsigned int balance );
```
Sets the share balance.

```
void set_cgl ( double value );
```
Sets the capital gain or loss private member variable with the parameter value.

```
void set_next( Transaction *p_new_next );
```
Sets the p_next pointer to p_new_next in the linked list.

```
void print();
```
Prints the transaction information to the console output.

```
static unsigned int assigned_trans_id;
```
A static class variable used to generate unique identifiers whenever a transaction object is created. This is the identifier you will use to set the trans_id private member, and increment it after the assignment.

Note: the main() function has *this initialized for you.*

Task 1 – Constructor and Destructor for Transaction class

You will implement the constructor and the destructor for the Transaction class. Notice that the constructor initializes the private member variables for which the data is available from the input file.

Task 2 – Overloading less-than operator to compare trade dates

You will implement the operator<(…) to allow comparing two instances of Transaction classes based on their trade dates. A transaction's trade date is less than another transaction's trade date if the first transaction's trade date is chronologically before that of the second.

The History class

The `History` class will have the following `private` member variables.

> `Transaction *p_head;`
>> A pointer to a transaction that denotes the beginning of the linked list.

The `History` class will have the following public member functions.

> `History();`
>> This is the default constructor. It will set the `p_head` to `nullptr`.

> `~History();`
>> This is the destructor. You must ensure that all dynamically allocated nodes are deallocated appropriately.

> `void read_history();`
>> Reads the transaction history from the input file using the provided functions.

> `void insert( Transaction *p_new_trans );`
>> Inserts a new `Transaction` instance in the linked list of transactions. You must have dynamically allocated an instance to `Transaction` class and pass the pointer to that as an argument to this member function.

> `void sort_by_date();`
>> Sorts the linked list in ascending order of trade date.

> `void update_acb_cgl();`
>> Walks through the linked list, and updates the private member variables whose data needs to be computed. This includes `acb`, `acb_per_share`, `share_balance`, and `cgl` for each transaction.

> `double compute_cgl( unsigned int year );`
>> Computes the capital gains or capital losses for every transaction in the history of transactions and updates the respective instances in the linked list. In addition, this function returns the total capital gains for the specified year.

> `void print();`
>> Prints to the console output the transaction history.

Task 3 – Constructor and destructor for the History class

You will implement the constructor and destructor for the `History` class. Note that the destructor is responsible for deallocating the transactions that form the linked list.

Task 4 – Reading transaction history from the file

You will implement a member function called `read_history()` for the `History` class that will read the transaction history from a text file called `transaction_history.txt`. This member function will insert the transaction entries in the order in which they are read from the file in the linked list. You will need to use the provided functions to access the transaction history file.

Hint: you should call the `insert(…)` *member function from the* `History` *class to insert it into the linked list.*

We extend the example that was presented earlier with the following data in the `transaction_history.txt` file.

```
VGRO   10 01 2018   Buy    150    10300.140
VGRO   24 02 2018   Buy    85     7423.050
VGRO   08 08 2018   Buy    43     3367.760
VGRO   11 11 2018   Buy    78     7028.580
VGRO   08 12 2018   Sell   55     5958.150
VGRO   22 12 2018   Sell   80     2817.600
VGRO   04 01 2019   Buy    65     3257.150
VGRO   07 05 2019   Buy    65     4557.150
VGRO   14 06 2019   Sell   80     4451.200
VGRO   16 07 2019   Buy    25     1752.750
VGRO   19 07 2019   Sell   90     6780.600
VGRO   20 10 2019   Buy    100    9011.000
```

Note the following about the transaction history.

- The file can only contain history of a single ETF product.
- The transactions in the input file do not have to be provided in any sorted order. The above text file is shown in sorted order of trade date, which is only done for simplifying the illustration.
- Transactions in the input file can span over multiple years.
- All inputs will be in their correct format (when expecting a `double`, a `double` will be provided).
- Every value in the text file is separated by a space or a tab character. For example, 10 01 18 is separated by spaces.

Task 5 – Insert transaction entry in linked list

You will implement a member function called `insert(…)` for the `History` class that accepts a pointer to a single dynamically allocated `Transaction` instance with the `p_next` field being `null`, and inserts it into the linked list. The transaction identifier will use the `private` member variable `trans_id` to store the unique identifier. Once a value is used for a transaction identifier, it will never be re-used again for the duration of the program. Hint: you should be using the class variable `assigned_trans_id` to keep a count of the instances of the `Transaction` class.

Task 6 – Sort the transaction history by trade date

You will implement the `sort_by_date()` member function for the `History` class. This member function sorts the transactions in **ascending order** of trade date. If two transactions have the same trade date, then you should use the transaction identifier (`trans_id`) to sort between the two. That is, sort based on ascending order of the transaction identifier.

You should use the following approach to sort the linked list. Let us call the *original* linked list as the one that you populated in the order of input from the file, and *sorted* linked list as the resulting one from this member function. You will sort by simply re-organizing the transactions; thus, no additional dynamic allocation of `Transaction` instances will be done. You can use the following approach:

1. Remove the first transaction from the original linked list, but do not delete it.
2. Reconnect the original linked list so that what was previously the second transaction is now the first transaction, and the number of transactions in the original linked list is reduced by one.
3. Insert the removed transaction into the sorted linked list such that it is inserted in its correct position with respect to the trade date.
4. Repeat these steps for the remaining transactions in the original linked list.

Task 7 – Update member variables for each transaction for capital gains

You will implement a member function called `update_acb_cgl()` for the `History` class that computes appropriate values for the `private` member variables that were not initialized with the data from the input file. These are `acb`, `acb_per_share`, `share_balance`, and `cgl`. In this member function, you should compute these and set them in their respective transaction instances in the linked list.

Task 8 – Compute capital gains or losses for a given year

You will implement a member function called `compute_cgl(…)` for the `History` class that will return a `double`, which is the CGL for the year provided as a parameter.

Task 9 – Print to the console output the transaction entries

You will implement a member function called `print()` for the `History` class that will print to the console the transaction entries to the console.

Marmoset testing

Be sure to wrap your main function with these pre-processor directives for testing:

```
#ifndef MARMOSET_TESTING
int main() {
    // Your main function
    return 0;
}
#endif
```

Sample Output

For the following entries in the `transaction_history.txt`.

```
VGRO   10 01 2018   Buy    150    10300.140
VGRO   24 02 2018   Buy    85     7423.050
VGRO   08 08 2018   Buy    43     3367.760
VGRO   11 11 2018   Buy    78     7028.580
VGRO   08 12 2018   Sell   55     5958.150
VGRO   22 12 2018   Sell   80     2817.600
VGRO   04 01 2019   Buy    65     3257.150
VGRO   07 05 2019   Buy    65     4557.150
VGRO   14 06 2019   Sell   80     4451.200
VGRO   16 07 2019   Buy    25     1752.750
VGRO   19 07 2019   Sell   90     6780.600
VGRO   20 10 2019   Buy    100    9011.000
```

You can use the following file with the `main()` to run your implementation.

```cpp
#include <iostream>
#include "project4.hpp"
#include "History_Transaction_definitions.cpp"

#ifndef MARMOSET_TESTING
unsigned int Transaction::assigned_trans_id = 0;
int main() {
  History trans_history{};
  trans_history.read_history();

  std::cout << "[Starting history]:" << std::endl;
  trans_history.print();
  trans_history.sort_by_date();

  std::cout << "[Sorted          ]:" << std::endl;
  trans_history.print();

  trans_history.update_acb_cgl();
  trans_history.print();

  std::cout << "[CGL for 2018    ]: " << trans_history.compute_cgl(2018) << std::endl;
  std::cout << "[CGL for 2019    ]: " << trans_history.compute_cgl(2019) << std::endl;

  return 0;
}
#endif
```

The expected output.

```
[Starting history]:
========== BEGIN TRANSACTION HISTORY ============
    0 VGRO    10     1 2018    Buy    150    10300.14        0.00    0      0.000       0.000
    1 VGRO    24     2 2018    Buy     85     7423.05        0.00    0      0.000       0.000
    2 VGRO     8     8 2018    Buy     43     3367.76        0.00    0      0.000       0.000
    3 VGRO    11    11 2018    Buy     78     7028.58        0.00    0      0.000       0.000
    4 VGRO     8    12 2018    Sell    55     5958.15        0.00    0      0.000       0.000
    5 VGRO    22    12 2018    Sell    80     2817.60        0.00    0      0.000       0.000
    6 VGRO     4     1 2019    Buy     65     3257.15        0.00    0      0.000       0.000
    7 VGRO     7     5 2019    Buy     65     4557.15        0.00    0      0.000       0.000
    8 VGRO    14     6 2019    Sell    80     4451.20        0.00    0      0.000       0.000
    9 VGRO    16     7 2019    Buy     25     1752.75        0.00    0      0.000       0.000
   10 VGRO    19     7 2019    Sell    90     6780.60        0.00    0      0.000       0.000
   11 VGRO    20    10 2019    Buy    100     9011.00        0.00    0      0.000       0.000
========== END TRANSACTION HISTORY ============
 [Sorted          ]:
========== BEGIN TRANSACTION HISTORY ============
    0 VGRO    10     1 2018    Buy    150    10300.14        0.00    0      0.000       0.000
    1 VGRO    24     2 2018    Buy     85     7423.05        0.00    0      0.000       0.000
    2 VGRO     8     8 2018    Buy     43     3367.76        0.00    0      0.000       0.000
    3 VGRO    11    11 2018    Buy     78     7028.58        0.00    0      0.000       0.000
    4 VGRO     8    12 2018    Sell    55     5958.15        0.00    0      0.000       0.000
    5 VGRO    22    12 2018    Sell    80     2817.60        0.00    0      0.000       0.000
    6 VGRO     4     1 2019    Buy     65     3257.15        0.00    0      0.000       0.000
    7 VGRO     7     5 2019    Buy     65     4557.15        0.00    0      0.000       0.000
    8 VGRO    14     6 2019    Sell    80     4451.20        0.00    0      0.000       0.000
    9 VGRO    16     7 2019    Buy     25     1752.75        0.00    0      0.000       0.000
   10 VGRO    19     7 2019    Sell    90     6780.60        0.00    0      0.000       0.000
   11 VGRO    20    10 2019    Buy    100     9011.00        0.00    0      0.000       0.000
========== END TRANSACTION HISTORY ============
========== BEGIN TRANSACTION HISTORY ============
    0 VGRO    10     1 2018    Buy    150    10300.14    10300.14    150     68.668       0.000
    1 VGRO    24     2 2018    Buy     85     7423.05    17723.19    235     75.418       0.000
    2 VGRO     8     8 2018    Buy     43     3367.76    21090.95    278     75.867       0.000
    3 VGRO    11    11 2018    Buy     78     7028.58    28119.53    356     78.987       0.000
    4 VGRO     8    12 2018    Sell    55     5958.15    23775.22    301     78.987    1613.841
    5 VGRO    22    12 2018    Sell    80     2817.60    17456.23    221     78.987   -3501.396
    6 VGRO     4     1 2019    Buy     65     3257.15    20713.38    286     72.424       0.000
    7 VGRO     7     5 2019    Buy     65     4557.15    25270.53    351     71.996       0.000
    8 VGRO    14     6 2019    Sell    80     4451.20    19510.86    271     71.996   -1308.464
    9 VGRO    16     7 2019    Buy     25     1752.75    21263.61    296     71.837       0.000
   10 VGRO    19     7 2019    Sell    90     6780.60    14798.32    206     71.837     315.313
   11 VGRO    20    10 2019    Buy    100     9011.00    23809.32    306     77.808       0.000
========== END TRANSACTION HISTORY ============
[CGL for 2018    ]: -1887.555
[CGL for 2019    ]: -993.151
```

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