

# Assignment1

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## ICSE 2018 5(B)

variable	symbol	formula	value
Total investment	T	-	₹22500
cost of each share	CP	-	₹50
Discount	d	-	10%
Market Price	MP	CP - d	?
No.of shares	n	$\frac{T}{MP}$	?
Dividend per share	$d_1$	-	12%
Total dividend	D	$d_1 \times n$	?
Rate of return	r	$\frac{D}{T}$	?

' ? '  $\Rightarrow$  To be calculated

' - '  $\Rightarrow$  Primary variables

Given

Total investment( $T$ ) = ₹22,500.

cost of each share ( $CP$ ) = ₹50

Discount on each share ( $d$ ) = 10%

$$\Rightarrow d = \frac{10}{100} \times 50$$

$$\Rightarrow d = 5$$

$\therefore$  discount = ₹5 on each share

$\therefore$  The Market price of each share( $MP$ )

$$MP = CP - d$$

$$\Rightarrow MP = 50 - 5$$

$\therefore$  Market Price ( $MP$ ) = ₹45 .

1) Total number of shares purchased ( $n$ )

$$n = \frac{CP}{MP}$$

$$\Rightarrow n = \frac{22500}{45}$$

$$\Rightarrow n = 500$$

$\therefore$  On total 500 shares were purchased.

2) Given

Dividend paid by the company ( $D$ ) = 12%

Dividend on each share ( $d_1$ )

$$d_1 = 12\% \text{ of } CP$$

$$\Rightarrow d_1 = \frac{12}{100} \times 50$$

$$\Rightarrow d_1 = 6.$$

$\therefore$  Dividend on each share  $(d_1) = ₹6$ .

$$\text{Total dividend}(D) = d_1 \times n$$

$$\implies D = 6 \times 500$$

$$\implies D = 3000.$$

$\therefore$  Total dividend paid by the company

$$(D) = ₹3000.$$

3) Rate of return he gets on investment

$$(r) = \frac{D}{T} \times 100$$

$$\implies r = \frac{3000}{22500} \times 100$$

$$\implies r = 13.33\%$$

$$\implies r \approx 13\%$$

$\therefore$  He gets 13% return on his investment.