

assignment1

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ICSE 2018 Problem 5(b)

Given

Total investment = Rs.22,500.

The value of each share = Rs.50

Discount on each share = 10%

$$= \frac{10}{100} \times 50 = 5.$$

∴ discount = Rs.5 on each share

∴ The selling price of each share = Rs.50 - Rs.5 = Rs.45

1. Total number of shares purchased =

$$\frac{\text{Total Investment}}{\text{S.P of each share}} = \frac{22500}{45} = 500$$

∴ On total 500 shares were purchased.

2. Given

Dividend paid by the company = 12%

Total dividend =

$$\frac{12}{100} \times 50 \times 500 = 3000.$$

∴ Total dividend paid by company = Rs.3000.

3. Rate of return he gets on investment =

$$\frac{\text{Total dividend}}{\text{Total investment}} \times 100 = \frac{3000}{22500} \times 100 = 13.33\% \approx 13\%$$

∴ He gets 13% return on his investment.