## PI-THAMMOIZZA

Define bonus issue with example.

A bonus issue, also brown as a derip issue or capitalization issue, is when a company dutributes additional. whereast to its existing. Shareholders for free, based on the number of shares they abready hold. This increases the total number of charge in the mosket but does not charge the company's market value. Instead, the price of each share typically decreases proportionally, as the company's equity is spread over more shares

## Example:

Suppose company ARC announces a 1:2 bonus. issue. This means that for every 2 shares a shareholders holds, they will acceive. I additional share.

If you are 200 shares, you will acceive too additional shares (1 additional shares (1 additional share for every 2 shares you own), making your total. Shareholding 300 shares. However, the price per share. will decrease proportionally, so while you hold more shares, the total value of your investment remains the same initially.

Example 2: In a 3:5 bonus shares issue, Sharehold ors will receive 3 shares for every s of houses they hold. \* If you up 200 shares, you will get 120 new shares, making your total. 320 8 houres. that Al alla fill 12 doors 1 rd 5 21 stantist \* perfore and elelit: Non coron las starts en 184 to wants x Files the stylet you will bount Shower at if he per shore. rotal savestront value veryours the deposit The other world contint a good of which were Example 25 3-for 1 whole deplik 140 12 1000 etily 0 00010 1-101 -8 0 1012 14 210