Define Stock Split with examples.

A Stock Split is a corporate action in which a company divides its existing shares into multiple shares to increase the number of shares outstanding. This is typically done to make shares more affordable to a wider range of investors. Although the number of shares increases, the overall market capitalization and the total value of each shareholder's investment remain the same immediately after the split.

Example 1: 2-for-1 stock split

In a 2-for-1 stock split, every existing share is divided into two shares.

* Before the split: you own 100 shares at $80 per share.

* After the split: you will have 200 shares at $40 per share.

Total investment value remains the same:
100 shares x $80 = $8,000 before the split
200 shares x $40 = $8,000 after the split.

Example 2: 3-for-1 stock split.

In a 3-for-1 stock split, each existing share is divided into three shares.

* Before the split: you own 50 shares at $150 per shares.

* After the Split: you will have 150.
Shares at $50 per share.

total investment value remains unchanged:
50 Shares x $150 = $7,500 before the Split.
150 Shares x $50 = $7500 after the Split.