

Assignment-15

Define stock split with examples:-

A stock split is when a company divides its existing shares into multiple new shares to reduce the share price, making them more affordable for investors. The overall market value of the company remains the same, but the number of shares increases, and the price per share decreases proportionally.

Example:-

If a company announces a 2-for-1 stock split and you own 20 shares priced at £200 each, after the split, you will have 40 shares priced at £100 each. The total value of your investment remains the same at £4000.
(40 shares \times £100 each)

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