

Assigned 15

Define Stock split with example:

A stock split is when a company divides its existing shares into more shares without changing the total value of the company. The total value of the company, known as its Market Capitalization, remains the same, but the no. of shares experience.

Here are some examples of stock splits:

2-for-1 split.

If you own 10 shares of a stock trading at 100, a 2-for-1 split would give you 20 shares, each worth 50.

3-for-1 split.

If you own one share of a stock valued at \$15, a 3-for-1 split would give you three shares, each worth \$5.