



Semester : VIII

Subject : AIFB

Academic Year: 2024-25

### TAKE PROFIT:

Take profit is a predefined price level at which a trader closes a position to lock in profit. It's the target price and once reached, the trade is automatically exited.

### Basic set up:

Entry Price  $P_0 = \text{Rs. } 100$

Take Profit level =  $+15\%$

So

$$TP = P_0 \times (1 + 0.15)$$

$$= 100 \times 1.15$$

$$= \text{Rs. } 115$$

### Price Movement Over Days:

Day	Price $P_t$	Action
0	Rs. 100	Entry Point
1.	Rs. 104	Hold (TP not hit)
2.	Rs. 107	Hold
3.	Rs. 110	Hold
4.	Rs. 115	Take profit triggered - Exit Trade.
5.	Rs. 113	Already exited.

### Outcome:

$$\text{Profit per share} = 115 - 100 = 15$$

$$\text{Percentage return} = \frac{15}{100} \times 100 = 15\%$$





PARSHWANATH CHARITABLE TRUST'S

**A.P. SHAH INSTITUTE OF TECHNOLOGY**

Department of Computer Science and Engineering  
Data Science



Semester : VIII

Subject : AIFB

Academic Year: 2024-25

A take profit ensures you exit with your desired profit without emotions or hesitation. It's the opposite of stop loss, which limits downside.