https://www.researchgate.net/post/How\_do\_I\_calculate\_Returns

2 years ago

[Henry Balani](https://www.researchgate.net/profile/Henry_Balani)

University of Wisconsin - Whitewater

 Ibrahim, many thanks for your response.  I am looking specifically at firm returns based on stock valuation.  I was able to find a formula in Compustat Global which I believe will do the trick.  See below:

Computing Returns – from Compustat Global

Daily total return can be calculated using PRCCD (daily price), AJEXDI (daily adjustment factor) from the sec\_dprc table and TRFD (daily total return factor) from the sec\_dtrt table for international companies.

TRFD includes Cash Equivalent Distributions along with reinvestment of dividends and the compounding effect of dividends paid on reinvested dividends so if you are looking for a price only return, do not use the total return factor. The calculation below can be used as a guideline to calculate return over any time period but confirm the results are within your expectations.

((prccd/ ajexdi )\* trfd )[ current ] /( prccd/ ajexdi )\* trfd ))[ prior time period ]-1)\*100)

* 2 Recommendations

[](https://www.researchgate.net/profile/John_Dobelman)

19 days ago

[John Dobelman](https://www.researchgate.net/profile/John_Dobelman)

Rice University

Thanks Henry, great job. You might note that trfd is in percentage so you should multiply by (1+trfd/100). I tested the formula on IBM back in the last split period about 27 May 1999 and it seems to work fine for both the splits and the dividends. Thanks!