Title: What happens to shares sold short during a stock split?
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When an investor shorts a stock, they are borrowing the shares with the agreement that they will return them at some point in the future. For example, if an investor shorts 100 shares of XYZ Corp. at $25, they will be required to return 100 shares of XYZ to the lender at some point in the future. If the stock undergoes a two-for-one split before the shares are returned, it simply means that the number of shares in the market will double along with the number of shares that need to be returned.

When a company splits its shares, the value of the shares also splits. For example, suppose the shares of XYZ Corp. were trading at $20 at the time of the two-for-one split; after the split, the number of shares doubles, and the shares trade at $10 instead of $20. If