CSCI 6314

Financial Management

Stocks and Bonds

1. Select 6 stocks that you like, and place it in a spreadsheet. Assume you bought 100 shares of each (mix dividend/non-dividend). Follow it for 2 days and calculate daily gains/loss in each stock and give a grand total of gains or loss in the spreadsheet. Explain how dividend would have change your outcome provided you happened to hold the stock before the ex-dividend date.
2. Explain how you could sell options and mitigate your losses.
3. Explain How bond works. How one could earn interest from bond? At maturation how much principle would you get? If you sell before maturation how could you gain or lose value? What is a zero coupon bond and how does it work?