

Symbol	Starting share count	Ending share count	Starting share price	Dividend per share, paid during the year	Ending share price
TinyCo	100m	150m	\$10	\$0	\$14
BigInc	200m	200m	\$20	\$2	\$18

**Question 1:** What is the return on a **value-weighted index** of the stocks (as a percent)? Assume (as usual) that this index reflects only capital gains, not dividends.

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**Question 2:** Suppose the divisor of the value-weighted index is 1000 at the start of the year. What will it be at the end of the year?

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**Question 3:** Which is true of the “Agg” index, but not true of the S&P 500 index?

- ☐ A) The index tracks an equal-weighted portfolio.
- ☐ B) The index tracks the stock market.
- ☐ C) The index includes the return from reinvesting distributions.
- ☐ D) The index includes the return from capital gains.