

- 1) Dewey, Cheetum & Howe (DCH) is selling for \$22 per share. There are 50,000,000 (fifty million) shares outstanding. What is DCH's market capitalization? Is this a large-cap, mid-cap, or small-cap company?

Market Capitalization = Market Price * Number of Shares Outstanding

- 2) Weegot, Burnt & Badlee (WBB) earned \$150,000,000 (one hundred fifty million dollars) last year. They have 200,000,000 (two hundred million) shares outstanding. What is WBB's earnings per share (EPS)?

Earnings Per Share = Earnings / Number of Shares Outstanding

- 3) Tayktha, Mony & Runne (TMR) is currently priced at \$48. Last year, their earnings per share (EPS) were \$1.20. What is TMR's price/earnings ratio (P/E)? Is this high, medium, or low?

Price / Earnings Ratio = Market Price / Earnings Per Share

- 4) Gettrich, Quik & Retyre (GQR) is paying \$2.25 in dividends per share each year. Their market price is currently \$72. What is GQR's dividend yield?

Dividend Yield = Annual Dividends / Market Price

- 5) Two years ago, Juan Anatoos purchased 100 shares of Waste Management (NYSE:WM) for \$160 per share. (That's right. They pick up the trash.) WM paid him \$3.00 per share dividends each year. WM is now selling for \$215 per share. What would Juan's total and percentage return be if he sold his shares now?

Capital gains = Dollar amount received from sale of stock - Dollar amount needed to initially purchase stock

Total return = Dividends + Capital gains

Percentage return = Total return / Dollar amount needed to initially purchase stock

- 6) Anne Egg owns 100 shares of Harley Davidson (NYSE:HOG) priced at \$36. If HOG were to split their stock 2 for 1, how many shares would she own? What would happen to the price of the stock?