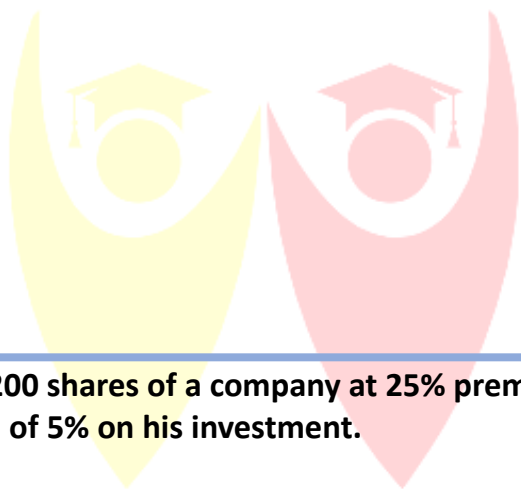


PREVIOUS YEAR QUESTIONS
(Chapter wise)

CHAPTER NAME: SHARES AND DIVIDENDS

SUMMARY POINTS



Q.NO.: 1	A man bought ₹200 shares of a company at 25% premium. If he received a return of 5% on his investment. Find the : (a) market value (b) dividend percent declared (c) number of shares purchased, if annual dividend is ₹1000.	YEAR [2025]
ANS.:		
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Let's Result Speak

Q.NO.: 1	A man invested in a company paying 12% dividend on its share. If the percentage return on his investment is 10%, then the shares are (a) at par (b) below par (c) above par (d) cannot be determined	YEAR [2025]
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ANS.:	c	
TOPIC:	Page No.:	Ref. Link

Q.NO.: 1	The sum invested to purchase 15 shares of a company of nominal value ₹ 75 available at a discount of 20% is: (a) ₹ 60 (b) ₹ 90 (c) ₹ 1350 (d) ₹ 900	YEAR [2024]
ANS.:	(d) ₹ 900. Here's how to solve it: • Calculate the market value per share: A 20% discount on a ₹ 75 nominal value means the market value is 80% of ₹ 75. This is calculated as $(80/100) * ₹ 75 = ₹ 60$. • Calculate the total investment: The total investment for 15 shares at ₹ 60 per share is $15 * ₹ 60 = ₹ 900$.	
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Q.NO.: 2	A company with 500 shares of nominal value ₹ 120 declares an annual dividend of 15%. Calculate : (i) the total amount of dividend paid by the company. (ii) annual income of Mr. Sharma who holds 80 shares of the company. If the return percent of Mr. Sharma from his shares is 10%. Find the market value of each share.	YEAR [2024]
ANS.:	(i) Calculate the total amount of dividend paid by the company: • The total dividend paid by the company can be calculated using the formula: $(\text{Total number of shares} * \text{Rate of dividend} * \text{Face Value}) / 100$ • Plugging in the values, we get: $(500 \text{ shares} * 15\% * ₹ 120) / 100 = ₹ 9000$ (ii) Calculate the annual income of Mr. Sharma who holds 80 shares: • Mr. Sharma's annual income from dividends can be calculated as: $(\text{Number of shares held by Mr. Sharma} * \text{Rate of dividend} * \text{Face Value}) / 100$ • Plugging in the values, we get: $(80 \text{ shares} * 15\% * ₹ 120) / 100 = ₹ 1440$	

	(iii) Calculate the market value of each share if Mr. Sharma's return percent is 10%: • We can use the formula for return percentage: $\text{Return percentage} = (\text{Rate of dividend} * \text{Face Value}) / \text{Market Value}$ • We know the return percentage is 10%, the rate of dividend is 15%, and the face value is ₹ 120. We need to find the market value (represented as 'M' in the formula). • Rearranging the formula to solve for market value: $M = (\text{Rate of dividend} * \text{Face Value}) / \text{Return percentage}$ • Plugging in the values: $M = (15\% * ₹ 120) / 10\% = ₹ 180$ Therefore: • The total dividend paid by the company is ₹ 9000. • Mr. Sharma's annual income from dividends is ₹ 1440. • The market value of each share is ₹ 180.	
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Q.NO.: 3	An unnamed company with 500 shares of nominal value ₹120 declares an annual dividend of 15%. Calculate the following: • Total amount of dividend paid by the company. • Annual income of Mr. Sharma who holds 80 shares of the company. • Market value of each share if Mr. Sharma's return percentage from his shares is 10%.	YEAR [2020]
ANS.:	• Total dividend paid by the company: ◦ The formula for total dividend is: $(\text{Number of shares} * \text{Rate of Dividend} * \text{Face Value}) / 100$ ◦ In this case, it would be: $(500 * 15 * 120) / 100 = ₹9000$ • Annual income of Mr. Sharma: ◦ Mr. Sharma's annual income would be: $(80 * 15 * 120) / 100 = ₹1440$ • Market value of each share: ◦ The formula for return percentage is: $(\text{Rate of dividend} * \text{Face Value}) / \text{Market Value}$ ◦ Therefore, the market value of each share would be: $(15 * 120) / 10 = ₹180$	
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Q.NO.: 4	A man invests ₹ 4500 in shares of a company which is paying 7.5% dividend. If ₹ 100 shares are available at a discount of 10%. Find: (i) Number of shares he purchases. (ii) His annual income.	YEAR [2019]
ANS.:	(i) Number of Shares: - Market Value = Face Value - (Discount Percentage * Face Value) - Market Value = 100 - (10/100 * 100) = ₹90 - Number of shares = Investment / Market Value = 4500/90 = 50 shares (ii) Annual income: - Annual Income = (Number of Shares * Rate of Dividend * Face Value)/100 = (50 * 7.5 * 100)/100 = ₹375	
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Q.NO.: 5	Sachin invests ₹ 8500 in 10%, ₹ 100 shares at ₹ 170. He sells the shares when the price of each share rises by ₹ 30. He invests the proceeds in 12%, ₹ 100 shares at ₹ 125. Find: (i) the sale proceeds. (ii) the number of ₹ 125 shares he buys. (iii) the change in his annual income.	YEAR [2019]
ANS.:	(i) Sale Proceeds: - Number of shares = Investment / Market Value = 8500/170 = 50 shares - Sale proceeds = Number of shares * Selling price = 50 * 200 = ₹10,000 (ii) Number of ₹125 shares he buys: - Number of shares = Investment / Market Value = 10,000/125 = 80 shares (iii) Change in his annual income: - Earlier Annual Income = (Number of Shares * Rate of Dividend * Face Value)/100 = (50 * 10 * 100)/100 = ₹500 - New Annual Income = (Number of Shares * Rate of Dividend * Face Value)/100 = (80 * 12 * 100)/100 = ₹960 - Change = 960 - 500 = ₹460 (Increase)	
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Q.NO.: 6	A man invests ₹ 22,500 in ₹ 50 shares available at 10% discount. If the dividend paid by the company is 12%, calculate : (i) The number of shares purchased. (ii) The annual dividend received.	YEAR [2018]
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	(iii) The rate of return he gets on his investment. Give your answer correct to the nearest whole number.	
ANS.:	(i) Number of shares purchased: - Market Value = Face Value - (Discount Percentage * Face Value) - Market Value = $50 - (10/100 * 50) = ₹45$ - Number of Shares = Investment / Market Value = $22500/45 = 500$ shares (ii) Annual dividend received: - Annual dividend = (Number of shares * Rate of dividend * Face Value) / 100 = $(500 * 12 * 50)/100 = ₹3000$ (iii) Rate of return: - Rate of return = (Annual dividend / Investment) * 100 = $(3000 / 22500) * 100 = 13.3\%$	
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Q.NO.: 7	How much should a man invest in ₹50 shares selling at ₹60 to obtain an income of ₹450, if the rate of dividend declared is 10%. Also, find his yield percent, to the nearest whole number.	YEAR [2017]
ANS.:	Investment: - Dividend on one share = Rate of Dividend * Face Value = $10/100 * 50 = ₹5$ - Number of shares = Total Income / Dividend on one share = $450/5 = 90$ shares - Investment = Number of shares * Market Value = $90 * 60 = ₹5400$ Yield Percent: - Yield Percentage = (Income / Investment) * 100 = $(450/5400) * 100 = 8.33\% \approx 8\%$	
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Q.NO.: 8	Ashok invested ₹26,400 on 12%, ₹25 shares of a company. If he receives a dividend of ₹2,475, find the: (i) number of shares he bought. (ii) Market value of each share.	YEAR [2016]
ANS.:	(i) Number of shares he bought: Dividend on one share = (Rate of dividend * Face Value) / 100 = $(12 * 25) / 100 = ₹3$	

	- Number of shares = Total Dividend / Dividend on one share = $2475 / 3 = 825$ shares (ii) Market value of each share: - Market Value = Investment / Number of Shares = $26400 / 825 = ₹32$	
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Q.NO.: 9	Rohit invested Rs. 9,600 Rs.100 shares at Rs.20 premium paying 8% dividend. Rohit sold the shares when the price rose to Rs.160. He invested the proceeds (excluding dividend) in 10% Rs. 50 shares at Rs. 40. Find the: - original number of shares. - sale proceeds. - new number of shares. - change in the two dividends.	YEAR [2015]
ANS.:	(i) Number of shares: - Market Value = Face Value + Premium = $100 + 20 = ₹120$ - Number of shares = Investment / Market Value = $9600 / 120 = 80$ shares (ii) Annual dividend: - Annual dividend = (Number of Shares * Rate of Dividend * Face Value) / 100 = $(80 * 8 * 100) / 100 = ₹640$ (iii) Rate of interest on his investment: - Rate of Interest = (Annual Dividend / Investment) * 100 = $(640 / 9600) * 100 = 6.67\%$ (iv) Selling price of each share: - The selling price is provided in the question itself as ₹160 (v) Proceeds (excluding his dividend) from the sale of shares: - Sale Proceeds = Number of shares * Selling Price = $80 * 160 = ₹12,800$ - Proceeds excluding dividend = $12800 - 640 = ₹12,160$ (vi) Number of new shares bought: - Number of shares = Investment / Market Value = $12160 / 40 = 304$ shares (vii) Change in his annual income: - New annual income = (Number of shares * Rate of Dividend * Face Value) / 100 = $(304 * 10 * 50) / 100 = ₹1520$ - Change = $1520 - 640 = ₹880$ (Increase)	
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Q.NO.: 10	Salman invests a sum of money in ₹50 shares paying 15% dividend quoted at 20% premium. If his annual dividend is ₹600, calculate: (i) The number of shares he bought (ii) His total investment (iii) The rate of return on his investment.	YEAR [2014]
ANS.:	(i) Number of shares: - Market Value = Face Value + (Premium Percentage * Face Value) - Market Value = $50 + (20/100 * 50) = ₹60$ - Dividend on one share = $(\text{Rate of dividend} * \text{Face Value}) / 100 = (15 * 50)/100 = ₹7.5$ - Number of shares = $\text{Total Dividend} / \text{Dividend on one share} = 600 / 7.5 = 80$ shares (ii) Total investment: - Total investment = Number of shares * Market Value = $80 * 60 = ₹4800$ (iii) Rate of return: - Rate of return = $(\text{Annual Dividend}/\text{Investment}) * 100 = (600/4800) * 100 = 12.5\%$	
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Q.NO.: 11	A man invests ₹6600 on ₹50 shares at a premium of ₹12. Calculate: (i) The number of shares he buys (ii) His total income from the shares, if the rate of dividend is 7.5% (iii) The extra amount he would earn if the company paid 9% dividend.	YEAR [2013]
ANS.:	(i) Number of shares: - Market Value = Face Value + Premium = $50 + 12 = ₹62$ - Number of shares = $\text{Investment} / \text{Market Value} = 6600 / 62 = 106.45$ shares ≈ 106 shares (ii) Total income: - Total Income = $(\text{Number of shares} * \text{Rate of dividend} * \text{Face value}) / 100 = (106 * 7.5 * 50) / 100 = ₹397.50$ (iii) Extra amount earned: - Income if dividend is 9% = $(\text{Number of shares} * \text{Rate of dividend} * \text{Face value}) / 100 = (106 * 9 * 50) / 100 = ₹477$ - Extra amount = $477 - 397.50 = ₹79.50$	
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Q.NO.: 12	A man buys ₹100 shares at ₹80. If the company pays 18% dividend, find:	YEAR
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	(i) The number of shares he buys if he invests ₹9600 (ii) His total dividend (iii) His percentage return on the shares	[2012]
ANS.:	(i) Number of shares: - Number of shares = Investment / Market Value = $9600 / 80 = 120$ shares (ii) Total dividend: - Total dividend = (Number of shares * Rate of dividend * Face Value) / 100 = $(120 * 18 * 100) / 100 = ₹2160$ (iii) Percentage return: - Percentage Return = (Total Dividend / Investment) * 100 = $(2160 / 9600) * 100 = 22.5\%$	
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Q.NO.: 13	Mr. Parekh invested ₹52,000 on ₹100 shares at a discount of ₹20 paying 8% dividend. At the end of one year, he sells the shares at a premium of ₹20. Calculate: (i) His annual dividend (ii) The profit earned including his dividend.	YEAR [2011]
ANS.:	(i) Annual dividend: - Market Value = Face Value - Discount = $100 - 20 = ₹80$ - Number of Shares = Investment / Market Value = $52000 / 80 = 650$ shares - Annual dividend = (Number of shares * Rate of dividend * Face Value) / 100 = $(650 * 8 * 100) / 100 = ₹5200$ (ii) Profit earned including dividend: - Selling Price = Face Value + Premium = $100 + 20 = ₹120$ - Total Sale Proceeds = Number of Shares * Selling Price = $650 * 120 = ₹78,000$ - Profit from sale of shares = $78000 - 52000 = ₹26,000$ - Total Profit = Profit from sale + Dividend = $26000 + 5200 = ₹31,200$	
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Q.NO.: 14	Vivek invests ₹4500 in 8% ₹10 shares at ₹15. He sells the shares when the price rises to ₹30 and invests the proceeds in 12% ₹100 shares at ₹125. Calculate: (i) The sale proceeds (ii) The number of ₹125 shares he buys (iii) The change in his annual income from dividend.	YEAR [2010]
ANS.:	(i) Sale Proceeds: - Number of shares = Investment / Market Value = $4500 / 15 = 300$ shares - Sale Proceeds = Number of shares * Selling Price = $300 * 30 = ₹9000$ (ii) Number of ₹125 shares he buys: - Number of shares = Investment / Market Value = $9000 / 125 = 72$ shares	

	(iii)Change in annual income: - Earlier annual income = $(\text{Number of shares} * \text{Rate of Dividend} * \text{Face Value}) / 100 = (300 * 8 * 10) / 100 = ₹240$ - New annual income = $(\text{Number of shares} * \text{Rate of Dividend} * \text{Face Value}) / 100 = (72 * 12 * 100) / 100 = ₹864$ - Change = $864 - 240 = ₹624$ (Increase)	
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Students Point

Let's Result Speak