Applications

> One of the funny things about the stock market is that every time one person buys, another sells, and both think they are astute.
>
> —William Feather, publisher and author

1. Why might the buyer and seller of the same stock both think that their trading price was an "astute" decision? How might those words apply to what you have learned? See margin.

Use the following information posted at the end of the trading day on April 22 to answer Exercises 2–8.

52-Week High	52-Week Low	Symbol	Stock	Last	Change	Volume	High	Low
232,420	198,600	BRK-A	Berkshire Hathaway	199,740	+35	186	198,800	198,700
51.44	38.06	VZ	Verizon	51.19	+0.04	5,039,967	51.30	50.78
124.83	87.50	MCD	McDonalds	116.34	−1.13	3,462,877	118.50	115.12
69.19	47.25	NKE	Nike	62.74	+0.37	5,149,577	63.49	62.58
52.77	34.61	DAL	Delta Airlines	48.02	−1.18	6,256,770	49.45	47.70
145.80	102.54	TM	Toyota	105.42	−0.15	174,283	105.98	104.63

2. What was the difference between the 52-week high and 52-week low price for one share of Delta Airlines? $18.16

3. What is the difference between the day's high and low prices for McDonald's Corp? $3.38

4. Rewrite the volume for each of the following stocks as "sales in 100s."
   a. Berkshire Hathaway Inc. 1.86
   b. McDonald's Corp 34,628.77
   c. Verizon 50,399.67
   d. Toyota 1,742.83

5. Determine the closing price on April 21 for each of the following stocks.
   a. Delta Airlines $49.20
   b. Verizon $51.15

6. Use the information from Exercise 5 to determine the percent of net change from April 21 to April 22 for each of the corporations listed in that question. Round answers to the nearest tenth of a percent. −2.4% for DAL; +0.08% for VZ

7. On April 22, which stock(s) had a 52-week high that was approximately 30% higher than the 52-week low? VZ

8. If the April 23 net change for Toyota was +0.79, what was the closing price for that day? $106.21

9. Which of the following is a true statement? Explain your reasoning.
   The 52-week high can never be higher than the day's high. See margin.
   The day's high can never be higher than the 52-week high. See margin.

10. At the end of the trading day on April 25, Riveters Inc. closed at $28.84, which was a +5.22% net change from the previous day's close. What was the approximate close on the previous day? $27.41

11. On February 26, Berkshire Hathaway closed at $197,690 per share. One year earlier, one share closed at $223,970. What was an approximate 1-year percent change? −11.73%

Use the spreadsheet below to answer Exercises 12–16.

	A	B	C	D	E	F	G	H
1	Symbol	Stock	February 25 Close	Change	% Change	February 24 Close	Volume in 1000s	Volume in 100s
2	AAPL	Apple Inc.	96.76	0.66		96.1	27,393	
3	BBW	Build-A-Bear Workshop Inc.	13.98	0.03	0.22%		188	
4	CTB	Cooper Tire & Rubber Co.	40.3	1.04		39.26	727	
5	F	Ford Motor Co	12.39	0.37			31,951	
6	INTC	Intel Corp	28.8		−1.90%		26,432	
7	MSF	Microsoft Corp	51.18		−2.80%	52.65	26,695	
8	NTGR	Netgear Inc.	39.66	0.59	1.50%		228	
9	YHOO	Yahoo! Inc.	31.36		1.30%		19,842	

12. Write a formula that will convert the volume given in 1,000s into a volume given in 100s.

Use the left side of the equation to indicate in which cell to store the formula.
  a. Intel Corp   H6=1000*G6/100, or H6=10*G6
  b. Yahoo! Inc.   H9=1000*G9/100, or H9=10*G9

13. Write a formula that will store the exact volume for each stock in column I. Use the left side of the equation to indicate in which cell to store the formula.
  a. Build-A-Bear Workshop Inc.   I3 = G3*1000
  b. NETGEAR Inc.   I8=G8*1000

14. Write a formula to determine the close on February 24 for each of the following. Use the left side of the equation to indicate in which cell to store the formula.
  a. NETGEAR Inc.   F8=C8−D8
  b. Ford Motor Co   E5=C5−D5

15. Write a formula to determine the percent change for each of the following. Use the left side of the equation to indicate in which cell to store the formula.
  a. Apple Inc.   E2=(C2−F2)/F2*100 or E2=D2/F2*100
  b. Cooper Tire & Rubber Co   E4=(C4−F4)/F4*100 or E4=D4/F4*100

16. Write a formula to determine the net change for each. Use the left side of the equation to indicate in which cell to store the formula.
  a. Microsoft Corp   D7=C7−F7
  b. Apple Inc.   D2=C2−F2