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FN221 Assignment

Question 1
With the expectation of investors on the higher achievement of the operating profit for the upcoming year, the firms then ought to pat the higher amount of dividend in giving the investors the higher earnings per amount of shares. The investors, foresee the events, are willing to pay at the higher price than the market value expecting more benefits. The stock's market value will then be increasing.

Question 2
The small-cap speculative stocks are the one suiting my demand most. Additionally, to earn more money both in short run and in long run, then, I should also invest in income stock choosing the accountable stock which could have sustainable operating and the reasonable amount of dividends.

Question 3
The first information to be considered is the news. News are important in foreseeing the change in market value of each stock. By the definition of news, it is included the firm's official announcement, trends and the unofficial news spreading around also. The firms' performance can also be indicates by the use of ratio measurements too.

Question 4
Primary market is for IPOs to take place and the trade for young issued securities. The secondary market on the other hand is for stocks from the existing firms from the primary market are traded.

Question 5
Purchase Price
3150 + 28 = 3178
Selling Price
3800 - 42 = 3758
Capital Gain
3758 - 3178 = 580
Total Return
160 dollars dividend received + 580 dollars capital gain = 740 dollars