

## Chapter 4. Shares and Dividends

---

### Ex 4.1

#### Answer 1.

a) 500 shares of Rs 75 each at a premium of Rs 17.

No. Of shares to be purchased = 500

Rs 75 shares at a premium of Rs 17 = Rs (75+17) = Rs 92

Therefore, money required to purchase 500 shares = Rs 92 x 500  
=Rs 46,000.

b) 315 shares of Rs 60 each at a premium of Rs 12.

No. Of shares to be purchased = 315

Rs 60 shares at a premium of Rs 12 = Rs (60+12) = Rs 72

Therefore, money required to purchase 315 shares = Rs 72 x 315  
=Rs 22,680.

c) 600 shares of Rs 25 each at a discount of Rs 3.

No. Of shares to be purchased = 600

Rs 25 shares at a discount of Rs 3 = Rs (25-3) = Rs 22

Therefore, money required to purchase 600 shares = Rs 22 x 600  
=Rs 13,200.

d) 425 shares of Rs 10 each at a discount of Rs 1.50.

No. Of shares to be purchased = 425

Rs 10 shares at a discount of Rs 1.50 = Rs (10-1.50) = Rs 8.50

Therefore, money required to purchase 425 shares = Rs 8.50 x 425  
=Rs 3,612.50.

e) 250 shares of Rs 20 each at par.

No. Of shares to be purchased = 250

Cost of each share = Rs 20

Therefore, money required to purchase 250 shares = Rs 20 x 250  
= Rs 5,000.

f) 150 shares of Rs 100 each at a premium of 12%.

No. Of shares to be purchased = 150

Rs 100 shares at a premium of 12% = Rs (100+12% of Rs 100) =  
Rs (100+12) = Rs 112

Therefore, money required to purchase 150 shares = Rs 112 x 150  
=Rs 16,800.

g) 220 shares of Rs 75 each at a premium of 15%.

No. Of shares to be purchased = 220

Rs 75 shares at a premium of 15% = Rs (75+15% of Rs 75) = Rs (75+11.25) = Rs 86.25

Therefore, money required to purchase 220 shares = Rs 86.25 x 220 =Rs 18,975.

h) 340 shares of Rs 125 each at a discount of 20%.

No. Of shares to be purchased = 340

Rs 125 shares at a discount of 20% = Rs (125 - 20% of Rs 125) = Rs(125 - 25) = Rs 100

Therefore, money required to purchase 340 shares = Rs 100 x 340 =Rs 34,000.

i) 750 shares of Rs 100 each at a discount of 24%.

No. Of shares to be purchased = 750

Rs 100 shares at a discount of 24% = Rs (100 - 24% of Rs 100) = Rs(100 - 24) = Rs 76

Therefore, money required to purchase 750 shares = Rs 76 x 750 =Rs 57,000.

j) 116 shares of Rs 125 each at par.

No. Of shares to be purchased = 116

Cost of each share = Rs 125

Therefore, money required to purchase 116 shares = Rs 125 x 116 =Rs 14,500.

**Answer 2.**

a) 180 shares of Rs 50 each paying 12% dividend.

No. Of shares = 180

Price of each share = Rs 50

Therefore, Total investment = Rs ( 50 × 180 ) = Rs 9,000

Dividend = 12%

Hence Annual Income =  $\text{Rs } \frac{12 \times 9,000}{100} = \text{Rs } 1,080$

b) 424 shares of Rs 125 each paying 8% dividend.

No. Of shares = 424

Price of each share = Rs 125

Therefore, Total investment = Rs ( 125 × 424 ) = Rs 53,000

Dividend = 8%

Hence Annual Income =  $\text{Rs } \frac{8 \times 53,000}{100} = \text{Rs } 4,240$

c) 60 shares of Rs 100 each available at Rs 75 and paying 5% dividend.

No. of shares = 60

Price of each share = Rs 100

Face value of 60 shares = Rs(100 × 60) = Rs 6,000

Dividend = 5%

Therefore, Annual Income =  $\text{Rs } \frac{5 \times 6,000}{100} = \text{Rs } 300.$

d) 120 shares of Rs 50 each available at Rs 62 and paying 13% dividend.

No. of shares = 120

Price of each share = Rs 50

Face value of 120 shares = Rs(50 × 120) = Rs 6,000

Dividend = 13%

Therefore, Annual Income =  $\text{Rs } \frac{13 \times 6,000}{100} = \text{Rs } 780.$

**Answer 3.**

a) Rs 7,225 paying 12% when a Rs 100 share is available at 15% discount.

Investment = Rs 7,225

Nominal value of each share = Rs 100

Market value = Rs(100 - 15% of Rs 100) = Rs (100-15) = Rs 85

No. of shares purchased =  $\frac{7,225}{85} = 85$

Face value of 85 shares = Rs 100 x 85 = Rs 8,500

Dividend = 12%

Therefore, Annual Income =  $\frac{12 \times 8,500}{100} = \text{Rs } 1,020$

Hence, percentage income =  $\frac{1,020 \times 100}{7,225} = 14.117\% = 14.12\%$

b) Rs 7,168 paying 15% when a Rs 80 share is available at 40% premium.

Investment = Rs 7,168

Nominal value of each share = Rs 80

Market value = Rs(80 + 40% of Rs 80) = Rs (80+32) = Rs 112

No. of shares purchased =  $\frac{7,168}{112} = 64$

Face value of 64 shares = Rs 80 x 64 = Rs 5,120

Dividend = 15%

Therefore, Annual Income =  $\frac{15 \times 5,120}{100} = \text{Rs } 768$

Hence, percentage income =  $\frac{768 \times 100}{7,168} = 10.71\%$

c) Rs 36,250 in a Rs 125 share paying 8% and available at a premium of Rs 20.

Investment = Rs 36,250

Nominal value of each share = Rs 125

Market value = Rs (125 + Rs 20) = Rs 145

No. of shares purchased =  $\frac{36,250}{145} = 250$

Face value of 250 shares = Rs 125 x 250 = Rs 31,250

Dividend = 8%

Therefore, Annual Income =  $\frac{8 \times 31,250}{100} = \text{Rs } 2,500$

$$\text{Hence, percentage income} = \frac{2,500 \times 100}{36,250} = 6.9\%$$

d) Rs 12,375 in a Rs 75 share paying 4% and available at a discount of Rs 20.

Investment = Rs 12,375

Nominal value of each share = Rs 75

Market value = Rs (75 - Rs 20) = Rs 55

$$\text{No. of shares purchased} = \frac{12,375}{55} = 225$$

Face value of 225 shares = Rs 75 x 225 = Rs 16,875

Dividend = 4%

$$\text{Therefore, Annual Income} = \frac{4 \times 16,875}{100} = \text{Rs } 675$$

$$\text{Hence, percentage income} = \frac{675 \times 100}{12,375} = 5.45\%$$

#### Answer 4.

No. of shares = 500

Nominal value of each share = Rs 125

Face value of 500 shares = Rs (125 x 500) = Rs 62,500

Rate of dividend = 12%

$$\text{Total dividend} = \frac{62500 \times 12}{100} = \text{Rs } 7,500$$

Rate of income tax = 5%

$$\text{Total tax} = \frac{5 \times 7,500}{100} = \text{Rs } 375$$

Net income = Rs (7,500 - 375) = Rs 7,125

**Answer 5.**

No. of shares = 1200

Nominal value of each share = Rs 150

Face value of 1200 shares = Rs (150 × 1200) = Rs 1,80,000

Rate of dividend = 18%

Total dividend =  $\frac{1,80,000 \times 18}{100}$  = Rs 32,400

Rate of income tax = 8%

Total tax =  $\frac{8 \times 32,400}{100}$  =Rs 2,592

Net income = Rs (32,400 – 2,592) = Rs 29,808

**Answer 6.**

No. of shares = 750

Nominal value of each share = Rs 60

Face value of 750 shares = Rs (60 × 750) = Rs 45,000

Rate of dividend = 15%

Total dividend =  $\frac{45,000 \times 15}{100}$  = Rs 6,750

Rate of income tax = 6%

Total tax =  $\frac{6 \times 6,750}{100}$  =Rs 405

Net income = Rs (6,750 – 405) = Rs 6,345

**Answer 7.**

No. of shares = 600

Nominal value of a share = Rs 50

Investment by Mahesh = Rs (50 × 600) = Rs 30,000

Shares sold at premium =  $\frac{1}{3} \times 600 = 200$

Market value of a share with Premium = Rs (50 + 20) = Rs 70

Value of 200 shares = Rs (70 × 200) = Rs 14,000 .....(i)

Shares sold at discount = 600 – 200 = 400

Market value of a share with discount = Rs (50 - 5) = Rs 45

Value of 400 shares = Rs (45 × 400) = Rs 18,000 .....(ii)

Adding (i) and (ii), gives total money Mahesh received by selling his shares = Rs (14,000 + 18,000) = Rs 32,000

Difference in selling price and cost price = Rs (32,000 -30,000) = Rs 2,000

Hence, Mahesh gained Rs 2,000

**Answer 8.**

Investment by Divya = Rs 50,000

Nominal value of a share = Rs 125

$$\text{No. of shares purchased by Divya} = \frac{50,000}{125} = 400$$

Shares sold at premium = 200

$$\begin{aligned} \text{Market value of a share with Premium} &= \text{Rs } (125 + 24\% \text{ of Rs } 125) \\ &= \text{Rs } (125 + 30) = \text{Rs } 155 \end{aligned}$$

$$\text{Value of 200 shares} = \text{Rs } (155 \times 200) = \text{Rs } 31,000 \dots\dots\dots(i)$$

Shares sold at discount = 200

$$\begin{aligned} \text{Market value of a share with discount} &= \text{Rs } (125 - 20\% \text{ of Rs } 125) \\ &= \text{Rs } (125 - 25) = \text{Rs } 100 \end{aligned}$$

$$\text{Value of 200 shares} = \text{Rs } (100 \times 200) = \text{Rs } 20,000 \dots\dots\dots(ii)$$

Adding (i) and (ii), gives total money Divya received by selling her shares = Rs (31,000 + 20,000) = Rs 51,000

Hence, Divya gained Rs 1,000



**Answer 9.**

Investment by Ashutosh = Rs 58,500

Price at which Ashutosh purchased one share =

Rs (150 + 30% of Rs 150) = Rs (150 + 45) = Rs 195

No. of shares purchased by Ashutosh =  $\frac{58,500}{195} = 300$

Shares sold at Rs 215 =  $\frac{1}{3} \times 300 = 100$

Selling price of 100 shares at Rs 215

= Rs (100 × 215) = Rs 21,500 .....(i)

Shares sold at Rs 195 =  $\frac{1}{3} \times 300 = 100$

Selling price of 100 shares at Rs 175

= Rs (100 × 175) = Rs 17,500 .....(iii)

Adding (i), (ii) and (iii), gives total money Ashutosh received by selling his shares = Rs (21,500 + 19,500 + 17,500) = Rs 58,500

Difference in selling price and cost price = Rs (58,500 - 58,500)

= Rs 0.

Hence, Ashutosh sold his shares at no loss or no gain.

## Ex 4.2

### Answer 1.

Let total savings be  $x$ .

$$\text{Investment in company A} = 10\% \text{ of } x = \frac{10}{100} \times x = \frac{x}{10}$$

$$\text{Investment in company B} = 30\% \text{ of } x = \frac{30}{100} \times x = \frac{3x}{10}$$

$$\text{Investment in company C} = 40\% \text{ of } x = \frac{40}{100} \times x = \frac{4x}{10} = \frac{2x}{5}$$

$$\begin{aligned} \text{Dividend given by company A} &= 12\% \text{ of } \frac{x}{10} \\ &= \frac{12 \times x}{100 \times 10} = 0.012x \dots\dots\dots(i) \end{aligned}$$

$$\begin{aligned} \text{Dividend given by company B} &= 15\% \text{ of } \frac{3x}{10} \\ &= \frac{15 \times 3x}{100 \times 10} = 0.045x \dots\dots\dots(ii) \end{aligned}$$

$$\begin{aligned} \text{Dividend given by company C} &= 16\% \text{ of } \frac{2x}{5} \\ &= \frac{16 \times 2x}{100 \times 5} = 0.064x \dots\dots\dots(iii) \end{aligned}$$

$$(i) + (ii) + (iii) = \text{Rs } 3,025 \dots\dots\dots(\text{given})$$

$$(0.012 + 0.045 + 0.064)x = \text{Rs } 3,025$$

$$0.121x = \text{Rs } 3,025$$

$$x = \text{Rs } \frac{3,025}{0.121} = \text{Rs } 25,000$$

Hence, Saurav's savings = Rs 25,000

$$\text{Investment in company A} = \text{Rs } \frac{x}{10} = \text{Rs } \frac{25,000}{10} = \text{Rs } 2,500$$

$$\text{Investment in company B} = \text{Rs } \frac{3x}{10} = \text{Rs } \frac{75,000}{10} = \text{Rs } 7,500$$

$$\text{Investment in company C} = \text{Rs } \frac{2x}{5} = \text{Rs } \frac{50,000}{5} = \text{Rs } 10,000$$

**Answer 2.**

Let total savings be x.

$$\text{Investment in 'Infosys'} = 15\% \text{ of } x = \frac{15}{100} \times x = \frac{3x}{20}$$

$$\text{Investment in 'Wipro'} = 25\% \text{ of } x = \frac{25}{100} \times x = \frac{x}{4}$$

$$\text{Investment in 'Reliance'} = 35\% \text{ of } x = \frac{35}{100} \times x = \frac{7x}{20}$$

$$\begin{aligned} \text{Dividend given by 'Infosys'} &= 16\% \text{ of } \frac{3x}{20} \\ &= \frac{16 \times 3x}{100 \times 20} = 0.024x \dots\dots\dots(i) \end{aligned}$$

$$\begin{aligned} \text{Dividend given by 'Wipro'} &= 18\% \text{ of } \frac{x}{4} \\ &= \frac{18 \times x}{100 \times 4} = 0.045x \dots\dots\dots(ii) \end{aligned}$$

$$\begin{aligned} \text{Dividend given by 'Reliance'} &= 20\% \text{ of } \frac{7x}{20} \\ &= \frac{20 \times 7x}{100 \times 20} = 0.07x \dots\dots\dots(iii) \end{aligned}$$

$$(i) + (ii) + (iii) = \text{Rs } 52,125 \dots\dots\dots(\text{given})$$

$$(0.024 + 0.045 + 0.07)x = \text{Rs } 52,125$$

$$0.139x = \text{Rs } 52,125$$

$$x = \text{Rs } \frac{52,125}{0.139} = \text{Rs } 3,75,000$$

Hence, Akanksha's savings = Rs 3,75,000

$$\text{Investment in 'Infosys'} = \text{Rs } \frac{3x}{20} = \text{Rs } \frac{3 \times 3,75,000}{20} = \text{Rs } 56,250$$

$$\text{Investment in 'Wipro'} = \text{Rs } \frac{x}{4} = \text{Rs } \frac{3,75,000}{4} = \text{Rs } 93,750$$

$$\text{Investment in 'Reliance'} = \text{Rs } \frac{7x}{20} = \text{Rs } \frac{7 \times 3,75,000}{20} = \text{Rs } 1,31,250$$

**Answer 3.**

Total investment = Rs (24,000+30,000) = Rs 54,000

$$\text{No. of shares of 'Vam Organics'} = \frac{\text{money invested}}{\text{cost of one share}} = \frac{24,000}{100} = 240$$

$$\text{No. of shares of 'Hero Honda'} = \frac{\text{money invested}}{\text{cost of one share}} = \frac{30,000}{100} = 300$$

$$\text{Dividend given by 'Vam Organics'} = 12\% = \text{Rs} \frac{12 \times 24,000}{100} = \text{Rs} 2,880$$

$$\text{Dividend given by 'Hero Honda'} = 15\% = \text{Rs} \frac{15 \times 30,000}{100} = \text{Rs} 4,500$$

Total dividend earned = Rs (2,880+4,500) = Rs 7,380

Money earned by selling shares of 'Vam Organics' = Rs (95 × 240)

= Rs 22,800

Money earned by selling shares of 'Hero Honda' = Rs (90 × 300)

= Rs 27,000

Total money earned by selling shares = Rs (22,800+27,000) = Rs 49,800

Total earnings = money earned by selling shares + dividends earned

= Rs (49,800+7,380) = Rs 57,180

Tarun's earnings from the transactions = Rs (57,180-54,000)

= Rs 3,180

**Answer 4.**

Total investment = Rs (20,000+25,000) = Rs 45,000

Dividend given by 'Bharati Telecom' = 10% = Rs  $\frac{10 \times 20,000}{100}$  = Rs2,000

Dividend given by 'Satyam Infoways' = 12.5% =  
Rs  $\frac{12.5 \times 25,000}{100}$  = Rs  $\frac{125 \times 25,000}{10 \times 100}$  = Rs3,125

Total dividend earned = Rs (2,000+3,125) = Rs 5,125

Money earned by selling shares of 'Bharati Telecom'

= Rs (20,000 - 4% of Rs 20,000) = Rs (20,000-800) = Rs 19,200

Money earned by selling shares of 'Satyam Infoways'

= Rs (25,000 - 5% of Rs 25,000) = Rs (25,000 - 1250) = Rs 23,750

Total money earned by selling shares = Rs (19,200+23,750) = Rs  
42,950

Total earnings = money earned by selling shares + dividends earned = Rs  
(42,950+5,125) = Rs 48,075

Bhavana's earnings from the transactions = Rs (48,075-45,000)  
= Rs 3,075

**Answer 5.**

Let Karan's investment be  $x$ .

Face value of 125 shares = Rs (100 × 125) = Rs 12,500

Dividend for 125 shares = 6% of 12,500 = Rs  $\frac{6 \times 12,500}{100}$  = Rs750

He gets Rs 750 as dividend which is equal to 4% of money invested

$$\Rightarrow \frac{4x}{100} = \text{Rs}750$$

$$\Rightarrow 4x = \text{Rs}75,000$$

$$\Rightarrow x = \text{Rs} \frac{75,000}{4}$$

$$\Rightarrow x = \text{Rs}18,750$$

Hence, Karan invested Rs 18,750.

No. of shares bought by Karan = 125

Value of a share = Rs  $\frac{18,750}{125}$  = Rs150

Karan bought a share for Rs 150.

**Answer 6.**

Let Vikram's investment be  $x$ .

Face value of 200 shares = Rs (25 × 200) = Rs 5,000

Dividend for 200 shares = 8% of Rs 5,000 = Rs  $\frac{8 \times 5,000}{100}$  = Rs400

He gets Rs 400 as dividend which is equal to 10% of money invested

$$\Rightarrow \frac{10x}{100} = \text{Rs}400$$

$$\Rightarrow x = \text{Rs}4,000$$

Hence, Vikram invested Rs 4,000.

No. of shares bought by Vikram = 200

Value of a share = Rs  $\frac{4,000}{200}$  = Rs20

Vikram bought a share for Rs 20.

**Answer 7.**

Let Archana's investment be  $x$ .

Face value of 250 shares = Rs  $(50 \times 250)$  = Rs 12,500

Dividend for 250 shares = 12% of Rs 12,500 = Rs  $\frac{12 \times 12,500}{100}$  = Rs 1,500

She gets Rs 1,500 as dividend which is equal to 15% of money invested

$$\Rightarrow \frac{15x}{100} = \text{Rs}1,500$$

$$\Rightarrow x = \text{Rs}10,000$$

Hence, Archana invested Rs 10,000.

No. of shares bought by Archana = 250

$$\text{Value of a share} = \text{Rs} \frac{10,000}{250} = \text{Rs}40$$

Archana bought a share for Rs 40.

**Answer 8.**

a) 12% at 125 or 16% at 150

12% at 125:

Income on Rs 125 = Rs 12

$$\text{Income on Re 1} = \frac{12}{125} = 0.096$$

16% at 150:

Income on Rs 150 = Rs 16

$$\text{Income on Re 1} = \frac{16}{150} = 0.106$$

Therefore, 16% at 150 is a better investment.

b) 16% at 80 or 18% at 120

16% at 80:

Income on Rs 80 = Rs 16

$$\text{Income on Re 1} = \frac{16}{80} = 0.20$$

18% at 120:

Income on Rs 120 = Rs 18

$$\text{Income on Re 1} = \frac{18}{120} = 0.15$$

Therefore, 16% at 80 is a better investment.

c) 15% at 80 or 12% at 75

15% at 80:

Income on Rs 80 = Rs 15

$$\text{Income on Re 1} = \frac{15}{80} = 0.187$$

12% at 75:

Income on Rs 75 = Rs 12

$$\text{Income on Re 1} = \frac{12}{75} = 0.16$$

Therefore, 15% at 80 is a better investment.

d) 18% at 120 or 22% at 150

18% at 120:

Income on Rs 120 = Rs 18

$$\text{Income on Re 1} = \frac{18}{120} = 0.15$$

22% at 150:

Income on Rs 150 = Rs 22

$$\text{Income on Re 1} = \frac{22}{150} = 0.146$$

Therefore, 18% at 120 is a better investment.

e) 12.5% at 125 or 7.5% at 80

12.5% at 125:

Income on Rs 125 = Rs 12.5

$$\text{Income on Re 1} = \frac{12.5}{125} = 0.1$$

7.5% at 80:

Income on Rs 80 = Rs 7.5

$$\text{Income on Re 1} = \frac{7.5}{80} = 0.093$$

Therefore, 12.5% at 125 is a better investment.



**Answer 9.**

In first case:

No. of shares sold = 350

Face value of each share = Rs 150

Face value of 350 shares = Rs (150 × 350) = Rs 52,500

Market value of each share = Rs 120

Market value of 350 shares = Rs (120 × 350) = Rs 42,000

Dividend (income) for 350 shares = 6% of Rs 52,500 =

$$\text{Rs } \frac{6 \times 52,500}{100} = \text{Rs } 3,150$$

In second case:

Proceeds from selling 350 shares = Rs 42,000

Face value of each share = Rs 75

Market value of each share = Rs 75

$$\text{No. of shares bought} = \frac{42,000}{75} = 560$$

Usha bought 560 shares of Rs 75 each.

Face value of 560 shares = Rs (75 × 560) = Rs 42,000

Dividend (income) for 560 shares = 8% of Rs 42,000 =

$$\text{Rs } \frac{8 \times 42,000}{100} = \text{Rs } 3,360$$

Change in annual income = Rs (3,360 – 3,150) = Rs 210

**Answer 10.**

In first case:

No. of shares sold = 400

Face value of each share = Rs 100

Face value of 400 shares = Rs (100 × 400) = Rs 40,000

Market value of each share = Rs 125

Market value of 400 shares = Rs (125 × 400) = Rs 50,000

Dividend (income) for 400 shares = 12.5% of Rs 40,000 =

$$\text{Rs } \frac{12.5 \times 40,000}{100} = \text{Rs } 5,000$$

In second case:

Proceeds from selling 400 shares = Rs 50,000

Face value of each share = Rs 50

Market value of each share = Rs 80

$$\text{No. of shares bought} = \frac{50,000}{80} = 625$$

Amitesh bought 625 shares of Rs 80 each.

Face value of 625 shares = Rs (50 × 625) = Rs 31,250

Dividend (income) for 625 shares = 16% of Rs 31,250 =

$$\text{Rs } \frac{16 \times 31,250}{100} = \text{Rs } 5,000$$

Change in annual income = Rs (5,000 – 5,000) = Rs 0 = Nil

**Answer 11.**

In first case:

No. of shares sold = 250

Face value of each share = Rs 75

Face value of 250 shares = Rs (75 × 250) = Rs 18,750

Market value of each share = Rs 112

Market value of 250 shares = Rs (112 × 250) = Rs 28,000

Dividend (income) for 250 shares = 8% of Rs 18,750 =

$$\text{Rs } \frac{8 \times 18,750}{100} = \text{Rs } 1,500$$

In second case:

Proceeds from selling 250 shares = Rs 28,000

Face value of each share = Rs 125

Market value of each share = Rs 140

$$\text{No. of shares bought} = \frac{28,000}{140} = 200$$

Mr Lele bought 200 shares of Rs 140 each.

Face value of 200 shares = Rs (125 × 200) = Rs 25,000

Dividend (income) for 200 shares = 8% of Rs 25,000 =

$$\text{Rs } \frac{8 \times 25,000}{100} = \text{Rs } 2,000$$

Change in annual income = Rs (2,000 – 1,500) = Rs 500

**Answer 12.**

In first case:

No. of shares sold = 1000

Face value of each share = Rs 125

Face value of 1000 shares = Rs (125 × 1000) = Rs 1,25,000

Market value of each share = Rs 150

Market value of 1000 shares = Rs (150 × 1000) = Rs 1,50,000

Dividend (income) for 1000 shares = 12% of Rs 1,25,000 =

$$\text{Rs } \frac{12 \times 1,25,000}{100} = \text{Rs } 15,000$$

In second case:

Proceeds from selling 1000 shares = Rs 1,50,000

Face value of each share = Rs 25

Market value of each share = Rs 60

$$\text{No. of shares bought} = \frac{1,50,000}{60} = 2,500$$

Rohit bought 2,500 shares of Rs 60 each.

Face value of 2,500 shares = Rs (25 × 2,500) = Rs 62,500

Dividend (income) for 2,500 shares = 20% of Rs 62,500 =

$$\text{Rs } \frac{20 \times 62,500}{100} = \text{Rs } 12,500$$

Change in annual income = Rs (12,500 - 15,000) = - Rs 2,500 (less)

**Answer 13.**

Let  $x$  be the no. of shares purchased by Mr Lal.

Value of  $x$  shares = Rs  $(100 \times X)$  = Rs  $100x$

Dividend for  $x$  no. of shares of Mercantile Co-operative Bank = 15% of Rs  $100x$

$$= \text{Rs} \frac{15 \times 100x}{100} = \text{Rs} 15x$$

Monthly scholarship = Rs 225 = Dividend/12

$$\Rightarrow \text{Rs} \frac{15x}{12} = \text{Rs} 225$$

$$\Rightarrow \text{Rs} 15x = \text{Rs} 2,700$$

$$\Rightarrow x = 180$$

Hence, Mr Lal should purchase 180 shares.

The market price for shares = Rs 120,

Investment by Mr Lal at Rs 120 = Rs  $(120 \times 180)$  = Rs 21,600.

**Answer 14.**

Let  $x$  be the no. of shares purchased by Gayathri.

Value of  $x$  shares = Rs  $75 \times x$  = Rs  $75x$

Dividend for  $x$  no. of shares of V.G.Electronics = 20% of Rs  $75x$

$$= \text{Rs} \frac{20 \times 75x}{100} = \text{Rs} 15x$$

Monthly income = Rs 500 = Dividend/12

$$\Rightarrow \text{Rs} \frac{15x}{12} = \text{Rs} 500$$

$$\Rightarrow \text{Rs} 15x = \text{Rs} 6,000$$

$$\Rightarrow x = 400$$

Hence, Gayathri should purchase 400 shares.

The market price for shares = Rs 62.50

Investment by Gayathri at Rs 62.50 = Rs  $(62.50 \times 400)$  = Rs 25,000.

### Ex 4.3

#### Answer 1.

For shares of 'Bihar Steel':

Let  $x$  be the no. of shares sold by Ramesh.

Nominal value of each share = Rs 100

Face value of  $x$  shares = Rs  $100x$

Market value of each share = Rs 130

Market value of  $x$  shares = Rs  $130x$  = proceeds from selling

Dividend = 8% of Rs  $100x$  =  $\frac{8}{100} \times \text{Rs}100x = \text{Rs}8x \dots\dots\dots(i)$

For shares of 'Jindal Steel':

Market value of each share = Rs 75

Number of shares bought =  $\frac{\text{proceeds from selling 'Bihar steel'}}{\text{market value of 'Jindal steel'}}$

$$= \frac{130x}{75}$$

Nominal value of each share = Rs 50

Face value of  $\frac{130x}{75}$  shares = Rs  $50 \times \frac{130x}{75} = \text{Rs}86.667x$

Dividend = 12% of Rs  $86.667x = \text{Rs} \frac{12 \times 86.667x}{100} = \text{Rs}10.40x \dots\dots(ii)$

Increase in annual income = Rs 360 = subtraction of (i) from (ii)

$$\text{Rs} (10.40x - 8x) = \text{Rs} 360$$

$$\Rightarrow 2.4x = \text{Rs} 360$$

$$\Rightarrow x = 150$$

Therefore, Ramesh sold 150 shares

**Answer 2.**

For shares of 'Asian Chemicals':

Let x be the no. of shares sold by Payal.

Nominal value of each share = Rs 125

Face value of x shares = Rs 125x

Market value of each share = Rs 150

Market value of x shares = Rs 150x = proceeds from selling

$$\text{Dividend} = 12\% \text{ of Rs } 125x = \frac{12}{100} \times \text{Rs}125x = \text{Rs}15x \dots\dots\dots(i)$$

For shares of 'Saras Chemicals':

Market value of each share = Rs 40

Number of shares bought =  $\frac{\text{proceeds from selling 'Asian Chemicals'}}{\text{market value of 'Saras Chemicals'}}$

$$= \frac{150x}{40} = \frac{15x}{4}$$

Nominal value of each share = Rs 50

$$\text{Face value of } \frac{15x}{4} \text{ shares} = \text{Rs } 50 \times \frac{15x}{4} = \text{Rs}187.5x$$

$$\text{Dividend} = 10\% \text{ of Rs } 187.5x = \text{Rs} \frac{10 \times 187.5x}{100} = \text{Rs}18.75x \dots\dots(ii)$$

Increase in annual income = Rs 825 = subtraction of (i) from (ii)

$$\text{Rs } (18.75x - 15x) = \text{Rs } 825$$

$$\Rightarrow 3.75x = \text{Rs } 825$$

$$\Rightarrow x = 220$$

Therefore, Payal sold 220 shares

**Answer 3.**

For shares of 'Esco':

Let x be the no. of shares sold by Ananth.

Nominal value of each share = Rs 50

Face value of x shares = Rs 50x

Market value of each share = Rs 80

Market value of x shares = Rs 80x = proceeds from selling

$$\text{Dividend} = 6\% \text{ of Rs } 50x = \frac{6}{100} \times \text{Rs}50x = \text{Rs}3x \dots\dots\dots(i)$$

For shares of 'Y2K Software':

Market value of each share = Rs 150

Number of shares bought =  $\frac{\text{proceeds from selling 'Esco'}}{\text{market value of 'Y2K Software'}}$

$$= \frac{80x}{150} = \frac{8x}{15}$$

Nominal value of each share = Rs 100

Face value of  $\frac{8x}{15}$  shares = Rs  $\text{Rs}100 \times \frac{8x}{15} = \text{Rs}53.33x$

$$\text{Dividend} = 11\% \text{ of Rs } 53.33x = \text{Rs} \frac{11 \times 53.33x}{100} = \text{Rs}5.86x \dots\dots(ii)$$

Increase in annual income = Rs 2,150 = subtraction of (i) from (ii)

$$\text{Rs } (5.86x - 3x) = \text{Rs } 2,150$$

$$2.86x = \text{Rs } 2,150$$

$$\Rightarrow x = 751$$

Therefore, Ananth sold 751 shares



**Answer 4.**

Money invested = Rs 10,000

For 6% shares:

Market value = Rs 75

Amount invested = Rs 4,500

Income from investment =  $\text{Rs } \frac{6}{75} \times 4,500 = \text{Rs}360$

For 8% shares:

Market Value = Rs 100

Amount invested = Rs 2,500

Income from investment =  $\text{Rs } \frac{8}{100} \times 2,500 = \text{Rs}200$

For 16% shares:

Market value = Rs x

Amount invested = Rs (10,000-4,500-2,500) = Rs 3,000

Income from investment =  $\text{Rs } \frac{16}{x} \times 3,000 = \text{Rs } \frac{48,000}{x}$

Total investment from shares =  $\text{Rs}360 + \text{Rs}200 + \text{Rs } \frac{48,000}{x}$

Krithika wants 8% return on his investment

$$\frac{8}{100} \times \text{Rs}10,000 = \text{Rs}800$$

Therefore,

$$\text{Rs}800 = \text{Rs}360 + \text{Rs}200 + \text{Rs } \frac{48,000}{x}$$

$$\text{Rs}240x = \text{Rs}48,000$$

$$x = \text{Rs}200$$

Hence, Krithika bought 16% shares at Rs 200 per share.

**Answer 5.**

Money invested = Rs 35,000

For 'Lakme' shares:

Market value = Rs 40

Amount invested = Rs 6,000

$$\text{Income from investment} = \frac{6}{40} \times \text{Rs}6,000 = \text{Rs}900$$

For 'Volta' shares:

Market Value = Rs 125

Amount invested = Rs 15,000

$$\text{Income from investment} = \frac{8}{125} \times \text{Rs}15,000 = \text{Rs}960$$

For 'BPL' shares:

Market value = Rs x

Amount invested = Rs (35,000-6,000-15,000) = Rs 14,000

$$\text{Income from investment} = \text{Rs} \frac{12}{x} \times 14,000 = \text{Rs} \frac{1,68,000}{x}$$

$$\text{Total investment from shares} = \text{Rs}900 + \text{Rs}960 + \text{Rs} \frac{1,68,000}{x}$$

$$\text{Prمود wants } 8\frac{1}{7} \% \text{ return on his investment} = \frac{57}{7} \%$$

$$\frac{57}{100 \times 7} \times \text{Rs}35,000 = \text{Rs}2,850$$

Therefore,

$$\text{Rs}2,850 = \text{Rs}900 + \text{Rs}960 + \text{Rs} \frac{1,68,000}{x}$$

$$\text{Rs}990x = \text{Rs}1,68,000$$

$$x = \text{Rs}169.69 = \text{Rs}170$$

Hence, Pramod bought BPL shares at Rs 170 per share.