

Stock Portfolio Project Example

Go to finance.yahoo.com
 Type in the name of a stock and click on search.
 This will appear →
 Use this panel to fill in boxes 1 through 8.

Box #9: Price 1 Year Ago:
 To get the price one year ago click on the **1Y** at the top of the interactive chart. Then put your cursor at the top of the first bar:



To fill in boxes 10 through 13:

Example Tbill Rate: 1.22 **Example** Market Risk: 5.75 THESE ARE EXAMPLE NUMBERS ONLY!

Stock #1		1. Company: Apple Inc.				2. Ticker: AAPL	
3. Buy Price: 149.77	4. Beta: 1.43	5. PE Ratio: 17.58	6. Dividend: 2.52	7. Div. Yield: 1.69%	8. 1Y Target Est: 159.13	9. Price 1 Year Ago: 106.91	
10. Last year % Change = $\frac{\#3 - \#9}{\#9} \times 100 =$ $\frac{149.77 - 106.91}{106.91} \times 100$ = 40.1%	11. Required Rate of Return = Tbill + (#4 x Risk) 1.22 + (1.43 x 5.75) = 9.4%		12. ACY = $\frac{\#6 + \frac{\#8 - \#3}{1}}{\frac{\#8 + \#3}{2}} \times 100$ $\frac{2.52 + \frac{159.13 - 149.77}{1}}{\frac{159.13 + 149.77}{2}} \times 100$ = .0769 X 100 = 7.7%			13. Why Buy? ACY ≥ RRR OR *Example reason: It is projected to earn only 7.7% next year which is below my required rate of 9.4%. I will buy this stock anyway because I love Apple and want to own a piece of it.	

*Only one stock can be an emotional purchase. All others must meet the requirement of $ACY \geq RRR$.

Quantity Purchased (On Transaction Journal):

To determine (how many shares of a stock to buy):

- Determine how much you want to spend on the stock. Example: \$10,000.00
- Divide that by the price of the stock. Ex: $10,000 / 149.77 = 66.769$
- Round **DOWN!** Ex: Buy 66 shares