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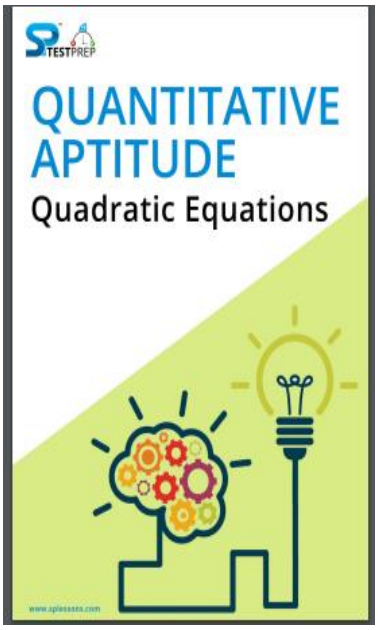

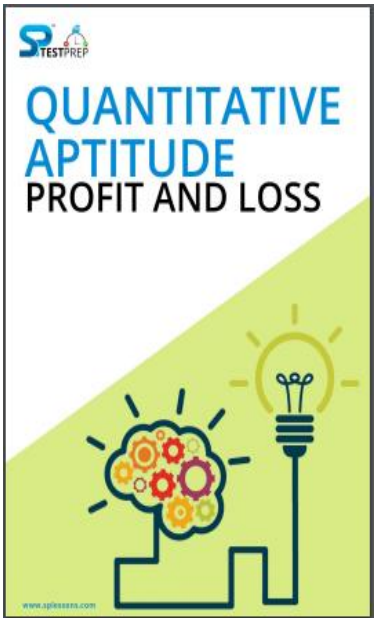

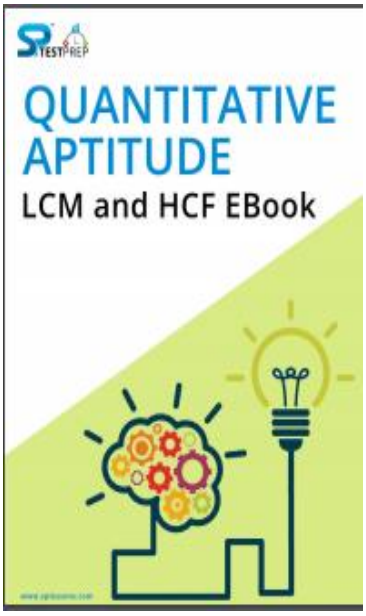

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Quantitative Aptitude – Stocks and Shares – Formulas E-book

Quantitative Aptitude – Stocks and Shares – Formulas

Introduction to Quantitative Aptitude:

Quantitative Aptitude is an important section in the employment-related competitive exams in India. Quantitative **Aptitude** Section is one of the key sections in recruitment exams in India including but not limited to **Banking, Railways, and Staff Selection Commission, Insurance, Teaching, UPSC** and many others. The Quantitative Aptitude section has questions related to **Profit and Loss, Percentage and Discount, Simple Equations, Time and Work, Quadratic Equations and Stocks and Shares etc.**

Stocks and Shares – Important Terms:

1. **What is Shares?**
   The total capital in the company is divided into very small units. These units form the worth of a company. Each of this unit is called stock or a share.

2. **What is Stock capital?**
   To run a company, you require capital. And this total capital in a company is called as the stock capital.

3. **What is Dividend?**
   When the company makes a profit it distributes it among its shareholders. This distribution of profit is known as the dividend. It is usually paid annually in the form of a percentage of a share. Also, this dividend is only paid on the face value of any bond.

4. **What is Shareholder?**
   Perhaps the most important body in the organization is the shareholders. The shareholder of a company is the one who owns more than one share of the company.

   As a part of authentication, the company issues a certificate to every shareholder describing the total number of shares given and its value.

5. **What is Face value?**
   The value that is printed on the certificate given to a stockholder or a shareholder it known as face value or a nominal value. Whatever happens, the face value of a share will always remain the same.

6. What is Brokerage?

- Different companies have different stocks and it can be traded by anyone in the market. This is done through brokers at the share market. The fee that these brokers charge is called the brokerage.
- When a stock or a share is purchased, then the cost price is also added with a brokerage.
- Also, when the stock is sold, this brokerage is deducted from the selling price.

7. What is Market value?

Through brokers, you can trade and sell the stocks of the different companies in the market. This value of shares changes depending upon the market.

This change is called the market value of a stock or a share.

There are conditions in a share:

- It is called at a **below par or discount** when the face value of a share is more than the market value.
- The market value is at par when the face value is the same as the market value.
- It is above par or at a premium when the face value is less than the market value.

QUICK TIPS AND TRICKS

Concept 1: Interpret the question correctly

Rs.100, 10% stock at 120 means:

a) The face value of stock = Rs.100

b) Dividend= 10% of the Face Value = Rs.10

c) Market Value = Rs.120.

Example 1:

Find the cash required to buy Rs.3200, 7.5% stock at 107.

Solution:

Face Value = Rs.3200 => 32 shares must be purchased [Assume Face Value = Rs.100]

Market Price of 32 shares = 3200 x 107 = Rs.3424

Concept 2: If investment is not mentioned, choose the investment in the relevant stock as X

Example

Juno invests a part of Rs.12000 in 12% stock at Rs.120 and the remainder in 15% stock at Rs.125. If her total dividend per annum is Rs.1360, how much does she invest in 12% stock at Rs.120?

Solution:

Let the investment in the 1st stock be X. Then, investment in 2nd stock = 12000 – X.

Income on 1st stock = 12120 x X = X10.

Income on 2nd stock = 15125 x (12000 – X) = 3(12000–X) 25

=> X10 + 3(12000–X) 25 = Rs.1360.

=> 5X + 72000 – 6X = 1360 x 50.

=> X = Rs.4000.

STOCKS AND SHARES FORMULAS:

Number of shares held by a person

$$= \frac{\text{Total Investment of the person}}{Investment\ in\ 1\ share}$$

$$= \frac{\text{Total Income}}{Income\ from\ one\ share}$$ Income from one share

$$= \frac{\text{Total Face Value}}{Face\ value\ of\ 1\ share}$$

Quantitative Aptitude – Stocks and Shares – Formulas E-book

STOCKS AND SHARES EXAMPLES:

1. A man buys Rs. 20 shares paying 9% dividend. The man wants to have an interest of 12% on his money. The market value of each share is:

- **A.** 12
- **B.** 15
- **C.** 18
- **D.** 20

Answer: B

Explanation:

Dividend on Rs. 20 = Rs. $(\frac{9}{100})$ x 20 = Rs. $\frac{9}{5}$.

Rs. 12 is an income on Rs. 100.

Rs. $\frac{9}{5}$ is an income on Rs.[$(\frac{100}{12})$ x $(\frac{9}{5})$] = Rs. 15.

2. The cost price of a Rs.100 stock at 4 discount, when brokerage is 14% is:

- **A.** Rs.95.75
- **B.** Rs.96
- **C.** Rs.96.25
- **D.** Rs.104.25

Answer: C

Explanation:

CP. =Rs. $(100 - 4 + \frac{1}{4})$ = Rs.96.25

3. In order to obtain an income of Rs. 650 from 10% stock at Rs. 96, one must make an investment of:

- **A.** 3100
- **B.** 6240
- **C.** 6500
- **D.** 9600

Answer: B

Explanation:

To obtain Rs. 10, investment = Rs. 96.

To obtain Rs. 650, investment = Rs. $\frac{96*650}{10}$ = Rs. 6240.

4. A 6% stock yields 8%. The market value of the stock is:

- **A.** Rs.48
- **B.** Rs.75
- **C.** Rs.96
- **D.** Rs.133.33

Answer: B

Explanation:

For an income of Rs. 8, investment = Rs. 100.

For an income of Rs 6, investment =Rs. ($\frac{100}{8*6}$) = Rs. 75

Market value of Rs. 100 stock = Rs. 75.

5. A man invested Rs. 4455 in Rs. 10 shares quoted at Rs. 8.25. If the rate of dividend be 12%, his annual income is:

- **A.** 107.04
- **B.** 648
- **C.** 500
- **D.** 648.60

Answer: B

Explanation:

Number of shares = $\frac{4455}{8.25}$ = 540.

Face value = Rs. (540 x 10) = Rs. 5400.

Annual income = Rs. ($\frac{12}{100}$*5400) = Rs. 648.

6. A 12% stock yielding 10% is quoted at:

A. 67
B. 110
C. 112
D. 120

Answer: D

Explanation:

To earn Rs. 10, money invested = Rs. 100.

To earn Rs. 12, money invested =Rs.($\frac{100}{10}$ *12) = Rs. 120.

Market value of Rs. 100 stock = Rs. 120.

7. A man invests in a 16% stock at 128. The interest obtained by him is:

A. Rs. 8%
B. Rs. 12%
C. Rs. 12.5%
D. Rs. 16%

Answer: C

Explanation:

By investing Rs 128, income derived = Rs. 16

By investing Rs. 100, income derived =Rs. ($\frac{16}{128*100}$) = Rs.12.5

Interest obtained = 12.5%

8. By investing Rs. 1620 in 8% stock, Michael earns Rs. 135. The stock is then quoted at:

A. 80
B. 96
C. 106
D. 108

Answer: B

Explanation:

To earn Rs. 135, investment = Rs. 1620.

To earn Rs. 8, investment =Rs. $\frac{1620}{135}$ × 8 = Rs. 96.

Market value of Rs. 100 stock = Rs. 96.

9. A man invested Rs. 1552 in a stock at 97 to obtain an income of Rs. 128. The dividend from the stock is:

- **A.** 8.5%
- **B.** 7.5%
- **C.** 8%
- **D.** 9%

Answer: C

Explanation:

By investing Rs. 1552, income = Rs. 128.

By investing Rs. 97, income = Rs.($\frac{128}{1552}$× 97)= Rs. 8.

Dividend = 8%

10. A man bought 20 shares of Rs. 50 at 5 discount, the rate of dividend being 13 12. The rate of interest obtained is:

- **A.** 13%
- **B.** 12
- **C.** 15%
- **D.** 16%

Answer: C

Explanation:

Investment = Rs. [20 x (50 - 5)] = Rs. 900.

Face value = Rs. (50 x 20) = Rs. 1000.

Dividend = Rs.($\frac{27}{2}$ * $\frac{1000}{100}$)=Rs.135

Interest obtained = $\frac{135}{900}$*100 % = 15%

11. A man invested Rs. 14,400 in Rs. 100 shares of a company at 20% premium. If his company declares 5% dividend at the end of the year, then how much does he get?

- **A.** Rs.500
- **B.** Rs.600
- **C.** Rs.650

D. Rs.720

Answer: B

Explanation:

Number of shares = $(\frac{14400}{120})$=120.

Face value = Rs.(100 x 120) = Rs.12000.

Annual income = Rs ($\frac{5}{100}$*12000) = Rs. 600

12. A man invests some money partly in 9% stock at 96 and partly in 12% stock at 120. To obtain equal dividends from both, he must invest the money in the ratio:

A. 3:5
B. 2:1
C. 16:15
D. 4:5

Answer: C

Explanation:

For an income of Re. 1 in 9% stock at 96, investment = Rs. $\frac{96}{9}$ = Rs. $\frac{32}{3}$

For an income Re. 1 in 12% stock at 120, investment = Rs. $\frac{120}{12}$ = Rs. 10.

Ratio of investments = $(\frac{32}{3})$: 10 = 32 : 30 = 16 : 15.

13. Find the annual income derived from Rs. 2500, 8% stock at 106?

A. 100
B. 200
C. 150
D. 250

Answer: B

Explanation:

Income from Rs. 100 stock = Rs. 8.

Income from Rs. 2500 stock = Rs ($\frac{8}{100}$*2500) = Rs. 200.

14. Find the cost of 96 shares of Rs. 10 each at 34 discounts, brokerage being $\frac{1}{4}$ per share.

- **A.** 912
- **B.** 921
- **C.** 920
- **D.** 900

Answer: A

Explanation:

Cost of 1 share = Rs. [(10 – $\frac{3}{4}$) + $\frac{1}{4}$] = Rs192

Cost of 96 shares = Rs. ($\frac{19}{2}$*96) = Rs. 912.

15. A man buys Rs. 25 shares in company which pays 9 % dividend. The money invested is such that it gives 10 % on investment. At what price did he buy the shares?

- **A.** 22.50
- **B.** 22
- **C.** 20.45
- **D.** 12.50

Answer: A

Explanation:

Suppose he buys each share for Rs. x.

Then, Rs. (25*$\frac{9}{100}$) = (x*$\frac{10}{10}$) or x = Rs. 22.50.

Cost of each share = Rs. 22.50.

16. The market value of a 10.5% stock, in which an income of Rs. 756 is derived by investing Rs. 9000, brokerage being $\frac{1}{4}$%, is:

- **A.** Rs.108.25

B. Rs.112.20
C. Rs.124.75
D. Rs.125.25

Answer: C

Explanation:

For an income of Rs.756, investment = Rs.9000

For an income of Rs.212, investment = Rs. $(\frac{9000}{756} * \frac{21}{2})$ = Rs.125

For a Rs.100 stock, investment = Rs.125.

Market value of Rs. 100 stock = Rs. $(125 - \frac{1}{4})$ = Rs. 124.75

17. Find the cash realized by selling Rs. 2440, 9.5% stock at 4 discounts (brokerage $\frac{1}{4}$%)

A. 2000
B. 2298
C. 2290
D. 2289

Answer: B

Explanation:

By selling Rs. 100 stock, cash realized = Rs. $[(100-4) - \frac{1}{4}]$=Rs.3834

By selling Rs. 2400 stock, cash realized =Rs. $(\frac{383}{4} * \frac{1}{100} * 2400)$ = Rs 2298.

18. A man sells Rs.5000, 12 % stock at 156 and u invests the proceeds parity in 8 % stock at 90 and 9 % stock at 108. He hereby increases his income by Rs. 70. How much of the proceeds were invested in each stock?

A. 4000
B. 4200
C. 4002
D. 4020

Answer: B

Explanation:

S.P of Rs. 5000 stock = Rs.($\frac{156}{100}$*5000)= Rs. 7800.

Income from this stock = Rs.($\frac{12}{100}$*5000) = Rs. 600.

Let investment in 8 % stock be x and that in 9 % stock = (7800 - x).

Therefore,

(X* $\frac{8}{90}$) + (7800 − x)* $\frac{9}{108}$ = [600+70]

$\frac{4X}{45}$ + $\frac{7800 - x}{12}$ = 670 ⇔ x = 3600

Therefore, Money invested in 8 % stock at 90 = Rs. 3600.

Money invested in 9 % at 108 = Rs. (7800 - 3600) = Rs. 4200.

19. Find the annual income derived by investing Rs. 6800 in 10% stock at 136?

- **A.** 250
- **B.** 1500
- **C.** 500
- **D.** 50

Answer: C

Explanation:

By investing Rs. 136, income obtained = Rs. 10.

By investing Rs. 6800, income obtained = Rs. $\frac{10}{36}$ × 6800 = Rs. 500.

20. The cash realized on selling a 14% stock is Rs.106.25, brokerage being $\frac{1}{4}$ % is

- **A.** 123
- **B.** 106
- **C.** 100
- **D.** 156

Answer: B

Explanation:

Cash realized = Rs. (106.25 - 0.25)

= Rs. 106.

21. A invested some money in 10% stock at 96. If B wants to invest in an equally good 12% stock, he must purchase a stock worth of:

- **A.** Rs.80
- **B.** Rs.115.20
- **C.** Rs.120
- **D.** Rs.125.40

Answer: B

Explanation:

For an income of Rs. 10, investment = Rs. 96.

For an income of Rs. 12, investment = Rs. $(\frac{96}{10})$*12 = Rs. 115.20.

22. Find the cost of Rs. 4500, 8.5% stock at 4 premiums?

- **A.** 1400
- **B.** 5000
- **C.** 4000
- **D.** 4680

Answer: D

Explanation:

Cost of Rs. 100 stock = Rs. (100+4) = Rs.104

Cost of Rs. 4500 stock =Rs. $\frac{104}{100}$ × 4500 = Rs. 4680

23. Which is better investment: 11% stock at 143 (or) $\frac{93}{4}$% stock at 117?

- **A.** Both are equally good
- **B.** $\frac{93}{4}$% % stock at 117
- **C.** Cannot be compared, as the total amount of investment is not given
- **D.** 11% stock at 143

Answer: B

Explanation:

Let investment in each case is Rs. (143 x 117).

Income in 1st case = Rs. $\frac{11}{143}$ x 143 x 117 = Rs. 1287.

Income in 2nd case = Rs. $\frac{39}{4 \times 117}$x 143 x 117= Rs. 1394.25

Clearly, $\frac{93}{4}$ % stock at 117 is better.

24. By investing Rs. 1620 in 8% stock, Michael earns Rs. 135. The stock is then quoted at?

- **A.** Rs. 145
- **B.** Rs. 245.1
- **C.** Rs. 96
- **D.** Rs. 75

Answer: C

Explanation:

Michel earns Rs. 135 by investing Rs. 1620

To earn Rs. 8 how much he has to invest...?

= $\frac{(8 \text{ x } 1620)}{135}$ = Rs. 96

25. The market value of a 10.5% stock, in which an income of Rs. 756 is derived by investing Rs. 9000, brokerage being $\frac{1}{4}$%, is:

- **A.** 108.25
- **B.** 112.20
- **C.** 124.75
- **D.** 125.25

Answer: C

Explanation:

For an income of Rs. 756, investment = Rs. 9000.

For an income of Rs. $\frac{21}{2}$, investment =Rs. $\frac{9000}{756} \times \frac{21}{2}$ = Rs. 125.

For a Rs. 100 stock, investment = Rs. 125.

Market value of Rs. 100 stock = Rs. (125 – $\frac{1}{4}$)= Rs. 124.75

26. A 6% stock yields 8%. The market value of the stock is:

A. 70
B. 76
C. 75
D. 80

Answer: C

Explanation:

For an income of Rs. 8, investment = Rs. 100.

For an income of Rs. 6, investment = Rs.($\frac{100}{8}$*6)= Rs. 75.

Market value of Rs. 100 stock = Rs. 75.

27. The cash realized on selling a 14% stock at Rs. 106.25, brokerage being 14%, is:

A. RS.105.50
B. RS.106
C. RS.106.50
D. RS.113.75

Answer: B

Explanation:

Cash realized = Rs. (106.25 - 0.25) = Rs. 106.

28. Mr. Shankar spends 25% of his monthly salary on household expenditure, 20% of the remaining on children's education, and the remaining is equally invested in three different schemes. If the amount invested in each scheme is Rs.5600, what is the monthly salary of Shankar?

A. Rs. 34000
B. Rs. 31245
C. Rs. 24315
D. Rs. 28000

Answer: D

Explanation:

Let the monthly salary of Shankar be = Rs. x

Amount invested on expenditure = 25% = $\frac{X}{4}$;

Remaining amount = $\frac{3X}{4}$;

Amount invested on children education = 20% i.e. = $\frac{3X}{20}$;

Remaining amount = $\frac{3X}{4} - \frac{3X}{20} = \frac{3X}{5}$;

Remaining amount invested in three different schemes i.e is $\frac{1}{3}(\frac{3X}{5})$

=> $\frac{X}{5}$ = 5600

Therefore, x = 28000

Hence, Monthly salary of Shankar is Rs. 28,000.

29. The cost price of a Rs. 100 stock at 4 discounts, when brokerage is:

- **A.** Rs.95.75
- **B.** Rs.96
- **C.** Rs.96.25
- **D.** Rs.104.25

Answer: C

Explanation:

C.P. = Rs.(100 - 4 + $\frac{1}{4}$) = Rs. 96.25.

30. The cash realized on selling a 14% stock at Rs. 106.25, brokerage begin is :

- **A.** Rs.105.50
- **B.** Rs.106
- **C.** Rs.106.50
- **D.** Rs.113.75

Answer: B

Explanation:

Cash realized = Rs. (106.25 - 0.25) = Rs. 106.

31. A man invested Rs. 4455 in Rs.10 shares quoted at Rs. 8.25. If the rate of dividend be 12%, his annual income is:

- **A.** Rs.207.40
- **B.** Rs.534.60
- **C.** Rs.648
- **D.** Rs.655.60

Answer: C

Explanation:

Number of shares = $(\frac{4455}{8.25})$ = 540.

Face value = Rs. (540 * 10) = Rs. 5400.

Annual income = Rs.$(\frac{12}{100}$ * 5400) = Rs. 648.

32. A 6% stock yields 8%. The market value of the stock is:

- **A.** Rs.48
- **B.** Rs.75
- **C.** Rs.96
- **D.** Rs.133.33

Answer: B

Explanation:

For an income of Rs. 8, investment = Rs. 100.

For an income of Rs. 6, investment = Rs.$(\frac{100}{8}$* 6) = Rs. 75.

∴ Market value of Rs. 100 stock = Rs. 75.

33. A man invested Rs. 14,400 in Rs. 100 shares of a company at 20% premium. If the company declares 5% dividend at the end of the year, then how much does he get?

- **A.** Rs. 500
- **B.** Rs. 600
- **C.** Rs. 650
- **D.** Rs. 720

Answer: B

Explanation:

Number of shares = $(\frac{14400}{120})$ = 120.

Face value = Rs. (100 * 120) = Rs. 12000.

Annual income = Rs. $(\frac{5}{100}$ * 12000) = Rs. 600.

34. How many shares. of market value Rs. 25 each can be purchased for Rs. 12750, brokerage being 2%?

- **A.** 450
- **B.** 500
- **C.** 550
- **D.** 600

Answer: B

Explanation:

C.P of each share = Rs. (25 + 2% of 25) = Rs. 25.50.

Number of shares = $(\frac{12750}{25.50})$ = 500.

35. A man invests in a 16% stock at 128. The interest obtained by him is:

- **A.** 8%
- **B.** 12%
- **C.** 12.5%
- **D.** 16%

Answer: C

Explanation:

By investing Rs. 128, income derived = Rs. 16.

By investing Rs. 100, income derived = Rs. $(\frac{16}{28}* 100)$ = Rs. 12.5.

Interest obtained = 12.5%.

36. The income derived from a Rs. 100, 13% stock at Rs. 105, is:

- **A.** Rs.5
- **B.** Rs.8
- **C.** Rs.13
- **D.** Rs.18

Answer: C

Explanation:

Income on Rs. 100 stock = Rs. 13.

37. A 9% stock yields 8%. The market value of the stock is:

A. Rs.72
B. Rs.92
C. Rs.112.50
D. Rs.116.50

Answer: C

Explanation:

To obtain Rs. 8, investment = Rs. 100.

To obtain Rs. 9, investment = Rs. $(\frac{100}{8} * 9)$ = Rs. 112.50.

Market value of Rs. 100 stock = Rs. 112.50.

38. To produce an annual income of Rs. 1200 from a 12% stock at 90, the amount of stock needed is :

A. Rs. 10,000
B. Rs. 10,800
C. Rs. 14,400
D. Rs. 16,000

Answer: A

Explanation:

For an income of Rs. 12, stock needed = Rs. 100.

For an income of Rs. 1200, stock needed = Rs. $(\frac{100}{12}$ A 12% stock yielding 10% is quoted at:* 1200) = Rs. 10,000.

39. By investing Rs. 1620 in 8% stock, Michael earns Rs. 135. The stock is then quoted at:

A. Rs.80
B. Rs.96
C. Rs.106
D. Rs.108

Answer: B

Explanation:

To earn Rs. 135, investment = Rs. 1620.

To earn Rs.8, investment = Rs.$(\frac{1620}{135} * 8)$ = Rs.96.

∴ Market value of Rs. 100 stock = Rs. 96.

40. In order to obtain an income of Rs. 650 from 10% stock at Rs. 96, one must make an investment of:

- **A.** Rs.3100
- **B.** Rs.6240
- **C.** Rs.6500
- **D.** Rs.96000

Answer: B

Explanation:

To obtain Rs. 10, investment = Rs. 96.

To obtain Rs. 650, investment = Rs. $(\frac{96}{10} * 650)$ = Rs. 6240.

41. By investing in $16\frac{2}{3}$ stocks at 64, one earns Rs, 1500. The investment made is:

- **A.** Rs. 5640
- **B.** Rs. 5760
- **C.** Rs. 7500
- **D.** Rs. 9600

Answer: B

Explanation:

To earn Rs. $\frac{50}{3}$, investment = Rs. 64.

To earn Rs. 1500, investment = Rs. $(64 * \frac{3}{5} * 1500)$ = Rs. 5760.

42. A man invested Rs. 1552 in a stock at 97 to obtain an income of Rs. 128. The dividend from the stock is:

- **A.** 7.5%
- **B.** 8%
- **C.** 9.7%
- **D.** None of these.

Answer: B

Explanation:

By investing Rs. 1552, income = Rs. 128.

By investing Rs. 97, income = Rs. $(\frac{128}{1552} * 97)$ = Rs.8.

∴ Dividend = 8%.

43. A man buys Rs. 50 shares in a company which pays 10% dividend. If the man gets 12.5% on his investment, at what price did he buy the shares?

- **A.** Rs.37.50
- **B.** Rs.40
- **C.** Rs.48
- **D.** Rs.52

Answer: B

Explanation:

Dividend on 1 share = Rs. ($\frac{10}{100}$ * 50) = Rs. 5.

Rs. 12.50 is an income on an investment of Rs. 100.

Rs. 5 is an income on an investment of Rs. (100 * $\frac{2}{25}$* 5) = Rs. 40.

∴ Cost of 1 share = Rs. 40.

44. A man buys Rs.20 shares paying 9% dividend. The man wants to have an interest of 12% on his money. The market value of each share is:

- **A.** Rs.12
- **B.** Rs.15
- **C.** Rs.18
- **D.** Rs.21

Answer: B

Explanation:

Dividend on Rs. 20 = Rs. (* 20) = Rs. $\frac{9}{5}$

.Rs. 12 is an income on Rs. 100.

∴ Rs. $\frac{9}{5}$ is an income on Rs ($\frac{100}{12}$ *$\frac{9}{5}$) = Rs. 15.

45. Sakshi invests a part of Rs. 12,000 in 12% stocks at Rs. 120 and the remainder in 15% stock at Rs. 125. If his total dividend per annum is Rs 1360, how much does he invest in 12% stock at Rs. 120?

- **A.** Rs.4000
- **B.** Rs.4500
- **C.** Rs.5500

D. Rs.6000

Answer: A

Explanation:

Let investment in 12% stock be Rs. x.

Then, investment in 15% stock = Rs. (12000 - x).

$\frac{12}{120}$ * x + $\frac{15}{125}$ * (12000 - x) = 1360.

<=> $\frac{X}{10} + \frac{3}{25}$ (12000 - x) = 1360

<=> 5x + 72000 - 6x = 1360 * 50

<=> x = 4000.

46. Rs. 9800 are invested partly in 9% stock at 75 and 10% stock at 80 to have equal amount of incomes. The investment in 9% stock is:

A. Rs.4800
B. Rs.5000
C. Rs.5400
D. Rs.5600

Answer: B

Explanation:

Let the investment in 9%$ stock be Rs. x.

Then, investment in 10% stock = Rs. (9800 - x).

$\frac{9}{75}$ * x = $\frac{10}{80}$ * (9800 - x)

<=> $\frac{3X}{25} = \frac{9800-X}{8}$

<=> 24x = 9800 * 25 - 25x

<=> 49x = 9800 * 25

<=> x = 5000.

47. Which is better investment 11% stock at 143 or 9 stocks at 117?

A. 11% stock at 143

B. 9 stock at 117
C. Both are equally good
D. Cannot be compared, as the total amount of investment is not given

Answer: B

Explanation:

Let investment in each case be Rs. (143 * 117).

Income in 1st case = Rs. ($\frac{11}{143}$ * 143 * 117) = Rs. 1287.

Income in 2nd case = Rs. ($\frac{39}{4*117}$* 143 * 117) = Rs. 1394.25.

Clearly, $9\frac{3}{4}$ Stock at 117 is better.

48. A invested some money in 10% stock at 96. If B wants to invest in an equally good 12% stock, he must purchase a stock worth of:

A. Rs.80
B. Rs.115.20
C. Rs.120
D. Rs.125.40

Answer: B

Explanation:

For an income of Rs. 10, investment = Rs. 96.

For an income of Rs. 12, investment = Rs. ($\frac{96}{10}$ * 12) = Rs. 115.20.

49. Which is better investment, 12% stock at par with an income tax at the rate of 5 paise 2 per rupee or 14 stock at 120 free from income tax?

A. 12% stock
B. $14\frac{2}{7}$ stocks
C. Both are equally good
D. Cannot be compared

Answer: B

Explanation:

Let investment in each case = Rs. (100 * 120).

Income from 12% stock = Rs. ($\frac{12}{100}$ * 100 * 120) = Rs. 1440.

Net income = Rs.(1440 - $\frac{5}{100}$ * 1440) = Rs. 1368.

Income from 14 $\frac{2}{7}$% stock = Rs. ($\frac{100}{7*20}$ * 100 * 120) = Rs.1428.57.

Clearly, 14 $\frac{2}{7}$% stock is better.

50. By investing in 16 $\frac{2}{3}$% stock at 64, one earns Rs. 1500. The investment made is:

- **A.** Rs. 5640
- **B.** Rs. 5760
- **C.** Rs. 7500
- **D.** Rs. 9600

Answer: B

Explanation:

To earn Rs. $\frac{50}{3}$, investment = Rs. 64.

To earn Rs. 1500, investment = Rs. (64 x $\frac{3}{50}$ x 1500) = Rs. 5760.

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