

Name: _____

Date _____

Lesson: Stock Market Price History

Table: Nominal and Real Total Returns

Students (Sara) invested \$1000 in a Dow Jones “30” stock in January of 1997. The broker’s fee was \$40 to buy and \$40 to sell the stock. The inflation rate averaged 3% a year. The income tax on capital gains is 20%. Using the table below, figure the nominal and real total returns.

Nominal Total Returns:

Selling Price	_____	
Buying Price	_____	
Capital Gain	_____	(nominal total return)

Real Total Return

Selling Price	_____	
Buying Price	_____	
Capital Gain	_____	
Minus Taxes	_____	(20% of capital gain)

Minus Fees	_____	(40 x 2)
Net Return	_____	

Minus Inflation	_____	(\$1000 x 15%)
Real Total Return	_____	

