

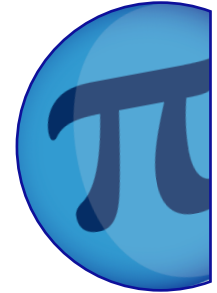


Why Do Shares Change Price?

NAME:

CLASS:

DATE:



Basic

1) List three things can that affect a company's share price.

2) Fill in the blanks:

Probability is a measure of the likelihood that a particular _____ will occur in any one trial, or experiment, carried out in prescribed conditions. Each separate possible result from a trial is called an _____.

3) What is the probability of selecting a 10p coin from £1 in 10p coins and £3 in 20p coins?

4) What is the probability of selecting a 20p coin from £10 in 50p coins and £2 in 20p coins?

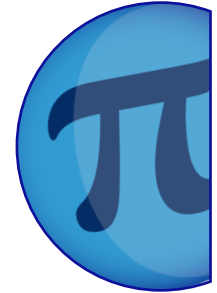


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Core

1) A game has three outcomes: win £1, win £5 and lose. The results of 60 attempts are noted and shown in the table below.

Result	Win £1	Win £5	Lose
Frequency	7	1	52

- a) What is the probability of a win?
- b) What is the probability of a £1 win?
- c) What is the probability that one play will result in a £5 win?

2) Trevor runs a game at a fete that pays £10 for every double six achieved with two dice. Trevor has 30 attempts before the fete starts. He scores double six only once. Using this information estimate Trevor's profit or loss on 210 goes at 30p a go.

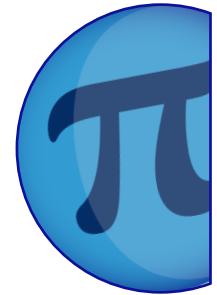


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Advanced

1) Describe the following words as they relate to a business.

- a) Profit

- b) Loss

- c) Cash flow

- d) Net Present Value



Why Do Shares Change Price?

ANSWERS

Basic

1) Company's reputation; investor confidence; new technologies or products

2) event; outcome

$$3) P(10p) = \frac{10}{25} = \frac{2}{5}$$

$$4) P(20p) = \frac{10}{30} = \frac{1}{3}$$

Core

$$1) a) \frac{8}{60} = \frac{2}{15}$$

$$b) \frac{10}{30}$$

$$c) \frac{1}{60}$$

2) 210 goes at 30p a go = £63. Based on Trevor scoring a double 6 $\frac{1}{30}$ of the time, he can expect seven double 6s $\frac{7}{20}$ to be rolled = £70. Trevor will lose £7.

Advanced

1) a) Profit – a financial gain. The difference between the amount earned and the amount spent in buying, operating and producing something.

b) Loss – the amount by which the cost of a business exceeds its revenue.

c) Cash flow – the total amount of money coming into and going out of a business.

d) Net Present Value – a way to decide whether or not to invest in a project by looking at the projected cash inflows and outflows. If the Net Present Value is > 0 the project is profitable and worth the risk. If the Net Present Value is < 0 the project is not worth considering.