Problem 1:

Suppose that at the beginning May 2006, you purchased shares in Apple, Inc. (Nasdaq: AAPL). It is now five years later and you decide to evaluate your holdings to see if you have done well with this investment. The table below shows the market price of AAPL.

|  |  |
| --- | --- |
| AAPL Stock Prices | |
| Date | Price |
| 2006 | 59.77 |
| 2007 | 121.19 |
| 2008 | 188.75 |
| 2009 | 135.81 |
| 2010 | 256.88 |
| 2011 | 337.41 |

1. Enter the data, as shown, into a worksheet and format the table as shown.
2. Create a formula to calculate your rate of return for each year. Format the results as percentages with two decimal places.
3. Calculate the total return for the entire holding period. What is the compound average annual rate of return?