As previously noted, the Turner’s have some of their investment portfolio in conservative stocks. These equities have had very slow growth while regularly paying a small dividend.

Jenny and Jeff have received several emails recently with suggestions about various biotechnology, retailing, and environmental companies. The investment advisers believe that these industries would provide an opportunity for strong long-term financial gains.

In recent years, the Turners have made extensive use of mutual funds in their investment portfolio. However, they are concerned that their selection of the funds may not be coordinated. With over 9,200 different mutual funds available, this financial marketplace is confusing.

The Turner begins the evaluation process by connecting various types of mutual funds to their investments goals. Next, they assess the past performance and management of the funds. Finally, they talk with various financial advisers and other investors to gather additional information.

|  |  |  |
| --- | --- | --- |
| Life Situation | Financial Data | |
| Jenny, 43 Jeff, 45 3 Children, ages 16, 14 and 11 | Monthly income | $4,900 |
| Living expenses | $4,450 |
| Assets | $262,700 |
| Liabilities | $84,600 |
| Emergency Fund | $5,000 |

1. According to Jenny, "We both know we should have started our investment program sooner, but we always seemed to have 'emergencies' that took what extra money we had." To what extent should the Turner invest in stocks as a major portion of their investment portfolio

1. Sarah and James Hernandez purchased 400 shares of Cisco Systems stock at $18.50 a share. One year later, they sold the stock for $23.95 a share. They paid a broker a $38 commission when they purchased the stock and a $52 commission when they sold the stock. During the 12-month period the couple owned the stock, Cisco Systems paid no dividends.

**Calculate the Hernandez's total return for this investment.**

Round your answer to the nearest whole number

1. Casper Energy Exploration reports that the corporation's assets are valued at $184676000, its liabilities are $77743000, and it has issued 7421000 shares of stock.

**What is the book value for a share of Casper stock?**

Round your answer to 2 decimal places

1. After researching Valero Energy common stock, Sandra Pearson is convinced the stock is overpriced. She contacts her account executive and arranges to sell short 310 shares of Valero Energy. At the time of the sale, a share of common stock has a value of $35. Three months later, Valero Energy is selling for $26 a share, and Sandra instructs her broker to cover her short transaction. Total commission to buy and sell the stock were $67.

**What is her profit for this short transaction?**

Round your answer to the nearest whole dollar

1. The Western Capital Growth mutual fund has

Total assets $ 734506000

Total liabilities $7825000

Total number of shares 20569000

**What is the fund's net asset value (NAV)?**

Round your answer to 2 decimal places

1. Three years ago, James Matheson bought 300 shares of a mutual fund for $28 a share. During the three-year period, he received total income dividends of 0.72 per share. He also received total capital gain distributions of $1.70 per share. At the end of three years, he sold his shares for $36 a share.

**What was his total return for this investment?**

Round your answer to the nearest whole dollar amount