**Problem 15-14:** Underwriting Costs

Wilson Sporting Goods is considering a public offering of common stock. Its investment banker has informed the company that the retail price will be $18 per share for 600,000 shares. The company will receive $16.50 per share and will incur $150,000 in registration, accounting, and printing fees.

1. What is the spread on this issue in percentage terms? What are the total expenses of the issue as a percentage of total value (at retail)?
2. If the firm wanted to net $18 million from this issue, how many shares must be sold?