

March 2009 monthly competition

Welcome to the March monthly competition and your chance to win £250 for your school.

These monthly competitions are independent of the main Shares4Schools league and will be judged purely on the criteria set for each; your team's performance in these competitions will therefore have no influence on your final standing in the league.

To enter, either e-mail your answers to shares4schools@share.co.uk, using the pre-printed form sent to you, or simply print this page, write in your answers and fax it to me on 01296 41 44 40 to arrive by 17:00 on Wednesday 25th March 2009.

If you have any questions regarding either the monthly competitions or the main competition, please do not hesitate to contact me on 01296 439 160.

Good luck and I look forward to receiving your entry.

Ian Benning

Shares4Schools Co-ordinator.

Name of school

Questions

HSBC recently announced their trading figures for 2008 along with a rights issue to raise money from its existing shareholders. Please answer the following questions regarding HSBC's recent announcements.

1. What was the pre tax profits for HSBC (in US\$)?

2. What percentage drop was this against the pre tax profits announced for 2007?

3. How much are HSBC looking to raise through their recently announced rights issue (in US\$)?

4. What is the price of the new shares under the rights issue (in sterling)?

5. What percentage discount is the price of the new shares against the closing price of HSBC ordinary shares in London on the 27th February?

Tiebreaker

Please let me know your estimate of what the closing value of Lloyds Group Shares will be on Tuesday 31st March 2009:

Remember your answers have to be received by 17:00 on Wednesday 25th March.

The answers to March's questions and the winner will be announced in early March. Good Luck!

February Competition Answers

1. Please let us know the full names of the following.

FTSE - Financial Times Stock Exchange

NASDAQ - National Association of Securities Dealers Automated Quotations

FSA - Financial Services Authority

AIM - Alternative Investment Market

P E (ratio) - Price Earnings

IFA - Independent Financial Adviser or Institute of Financial Accountants

ISA - Individual Savings Account

2. Briefly explain what the following terms used in the financial industry mean:

Acid Test – A financial ratio which is similar to the current ratio, but more stringent. It is defined as: current assets minus stocks divided by current liabilities - and it shows whether a company would be able to pay its debts if it needed to satisfy creditors but it had no time to sell any of its assets. - If the acid test is 1 or higher, a company passes the test.

Dead cat bounce – A phrase used by traders to describe the phenomenon of any stock - even the most rapidly falling one - to rally before dropping to new lows. The analogy is to a dead cat dropped out of the window of a skyscraper. Even though completely dead, the cat will bounce a little bit.

Stag – A person who applies for shares in a new issue with the intention of selling them soon after trading begins. The stag hopes that the price will rise high enough in early trading for him to make a quick profit.

Weekend Effect – A theory of stock market growth, claiming that traders optimism normally fades between Friday and Monday.