

The general form of the calculation for **C\$ returns** for a foreign stock:

$$1 + R_{\$} = 1 + \frac{[P^*(1) + Div^*(1)] S(1) - P^*(0) S(0)}{P^*(0) S(0)} = \frac{P^*(1) + Div^*(1)}{P^*(0)} \frac{S(1)}{S(0)} \\ = [1 + R_f][1 + e]$$

For the Game, set $Div^* = 0$ and use the FX rates ($S(0)$ and $S(1)$) provided (see explanation of FX calculation of the course webpage), e.g.. for US stocks use C\$/US\$ rate not US\$/C\$ for $S(1)$ and $S(0)$.
For domestic stocks (no need for FX):

$$1 + R_{\$} = \frac{P(1)}{P(0)} \rightarrow R_{\$} = \frac{P(1) - P(0)}{P(0)}$$

Where $Div = 0$. For foreign stocks:

$$1 + R_{C\$} = \frac{P(1)}{P(0)} \frac{S(1)}{S(0)}$$

INSTRUCTIONS for submission:

- 1) Be sure to include Name of game submitter.
- 2) The results for the individual returns and for the portfolio return which is calculated as:

$$R_{P\$} = \frac{R_1 + R_2 + R_3}{3}$$

where the R_i are the Canadian dollar returns.

- 3) Game return calculations are to be submitted digitally to poitras7@sfu.ca. Be sure to include the information from the beginning-of-term submissions with the final calculations and to show calculations used to determine the 3 stock portfolio return. **Game return calculations need to be submitted no later than the day before the final session.**