

**FIN 533 Homework**  
**Due Tuesday, September 15, 2009**

|      | <b>Beginning of year price</b> | <b>Dividend paid at year-end</b> |
|------|--------------------------------|----------------------------------|
| 2005 | \$100                          | \$4                              |
| 2006 | \$110                          | \$4                              |
| 2007 | \$90                           | \$4                              |
| 2008 | \$95                           | \$4                              |

An investor buys three shares of XYZ at the beginning of 2005, buys another two shares at the beginning of 2006, sells one share at the beginning of 2007, and sells all four remaining shares at the beginning of 2008.

1. What is the arithmetic time-weighted average rate of return for the investor?
2. What is the geometric time-weighted average return?
3. What is the dollar-weighted rate of return?