6. a.

the investor put up equity, or margin, of $8,000.

b. The percentage margin is now: 52%

Therefore, the investor will not receive a margin call.

1. The rate of return on the investment over the year is:

-41.5%

7. a.

the remaining margin is:

$8,000

b. The percentage margin is 16%

So there will be a margin call.

c. a rate of return of: −60%

9. a.

The rate of return will be -12%

b.

*P*= $35.71 or lower

10. a. Initial margin is $2,500.

b.

*P* = $57.69 or higher