Analysis of apple shares sales

In consideration of the furthering of my education at the cost of $100, 000, I am considering the sale of either 500 Apple Shares I own or my 100 Apple bonds which mature in 10 years as a means to pay for my continued education. I will calculate the worth of both options to decide what would be the best option to finance my education.

10-5 (years) = 5years

3. 25% of $100, 000 = $3250 coupon rate each year.

First year = $3, 250

Second Year = $3, 250

Third Year = $3, 250

Fourth Year = $, 3250

Firth Year will be 100, 000 + 3, 250 = $103, 250

So the due amount for the five year bond sale is (3250 ×4) + 103250 = $116, 250. From viewing these calculations it is evident that the best position will call for selling the 500 apple stock shares rather than relying on the 100 Apple bonds, which will take another five years to mature and incur more costs.

There are many advantages to this, for example, the shared cost in handling security issues form one of the greatest benefits to be enjoyed in the combination of stock and bond selling. An individual will not be forced to handle any cost that is associated with security issues associated with the organizational selling of both its bonds and stocks. In addition, it is also apparent that stock and bond combination selling is associated with risk versus return parity judgment by investors (Chen, 2018). The combination sale means that an investor will receive a high amount of money from the committed business effort at once. Such a large amount of monetary flow is an operating advantage to the stock and bonds selling combination.

As opposed to the advantages there are a few disadvantages. There are some irregularities in making a fast decision-based on the ratio distribution while selling a combination of both stocks and bonds is a great disadvantage that an investor that adopts the mentioned selling method of its discussed properties is likely to incur. The combined sales of both stocks and bonds are associated with a vast fund flow that can be an ideal issue for the affected investor. For that matter, investors always have difficulties in deciding the best investment to adopt with the junk amount of money as well as the best action to take with the overwhelming flow of funds. Such factors act as potential drawbacks of engaging in a combined selling of both stocks and bonds (Chen, 2018).

The best choice, in this case, will be to adopt selling a combination of both the stock and bonds. By doing both the Apple stocks and bonds will now be 50% of $100, 000, which will ascertain 50, 000 dollars as bond and 50% of $100, 000, which will as well result to 50, 000 dollars share sales.

Considering the current situation there is an appropriate decision to be made. Bonus money will be the ultimate best choice due to a monetary time value. Share values are normally flexible; it can either increase with time or decrease with time. “ Money received tomorrow will not have the same value as the money received today”(Tarver, 2018).

The choices are either bonus cash or stock shares. The advantage associated with the bonus cash is the immediate receiving of cash; which will not be affected by any change in stock as it, is delivered on the actual date of the promise. The disadvantages will only be noticed on a case by case basis. An increase in stock price will be a guarantee of a potential loss. However, a capital gain with a future appreciation in the organizational stock price is a good advantage associated with taking the company’s stock shares(Chen, 2018). The only disadvantage associated with stock shares option is the involved transaction cost alongside timely effect. So, the best choice would be the $5, 000 bonus. Having the cash on hand will be a zero risk situation.

The Security Act ensures the regulation of security sales. According to the Security Act of 1933, companies should ensure the submission of their security information to investors before engaging public participation. In essence, any company that fails to file registration before offering sales of their securities violates the Security Act of 1933. Filing the registration entirely means that companies must promptly avail security information to the public before any engaged sale transactions. To do this, particularly in the United States, such securities must first be registered to the SEC or let off from registration. So, an employee should not be surprised with such an issue. For that matter, based on the nature of the presented case, the ultimate step will be come up with a decision in reference to the presented shareholder document information. I will initiate civil and criminal proceedings against the employer or the company in case the presented information in the shareholder document is confirmed to be forged. I would return the security in case it is confirmed that the employer or the company has not met all exemption from SEC registration conditions are not properly met, and I would ask that the price of purchase be returned.

The federal and shareholder requirements that I need to be familiar with in order to be complete compliance as a potential financial manager revolve around taxes issues. The Sarbanes Oxley Act of 2002 works perfectly in guaranteeing a total promotion of corporate responsibility enhancement in handling financial matters. Also, both the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and Investment Advisers Act of 1940 focus on the financial responsibility decisions of financial managers in preventing frauds of any manner (Chaffee, 2010). These are the best legal formalities that should be followed in order to provide a positive working experience.

Sources

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