# Answer on Question #41285, Math, Algebra

A speculator sells a stock short for $50 a share. The company pays a $2 annual cash dividend. After a year has passed, the seller covers the short position at $42. What is the percentage return on the position (excluding the impact of any interest expense and commissions)?

**Answer:** a stock short price=$50;

annual price=$2;

cover short position=$42;

the percentage return on the position = (stock short price -all expenses for the year)/ stock short price*100%=(($50-$2-$42)/50)*100%=12%.