

Calculating position size

Lesson: zerotoinvest.com/en/lesson/position-size/

Name _____

Date _____

EXERCISE 1

Account \$15,000, risk 1 percent, entry \$42, stop \$39. How many shares?

Your answer

EXERCISE 2

Same account, entry \$120, stop \$111. How many shares, and how much money is then in the position?

Your answer

EXERCISE 3

A coin costs \$0.85, your stop is at \$0.78, you want to lose at most \$60. How many coins?

Your answer

EXERCISE 4

You put up \$1,000 with leverage 5. The price falls 3 percent. How much do you lose?

Your answer

Tip: the calculators on zerotoinvest.com help you check your answers.

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Solutions: Calculating position size

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Exercise 1. Allowed loss \$150, distance \$3. $150 \div 3 = 50$ shares.

Exercise 2. $150 \div 9 = 16.67$, rounded down 16 shares. $16 \times \$120 = \$1,920$.

Exercise 3. $60 \div 0.07 = 857.14$, rounded down 857 coins.

Exercise 4. Position value $\$5,000 \times 3$ percent = \$150, 15 percent of your stake.

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