

Q-4

What is EPS? What are the risks involved in EPS? What are the advantages and disadvantages of a smart card?

Ans-4

EPS - Earnings Per Share is calculated as a company's profit divided by the outstanding shares of its common stock.

The resulting number serves as an indicator of a company's profitability. It is common for a company to report EPS that is adjusted for extraordinary items and potential share dilution. The higher a company's EPS, the more profitable it is considered.

Earnings Per Share EPS is a company's net profit divided by the number of common shares it has outstanding.

EPS indicates how much money a company makes for each share of its stock and is a widely used metric for corporate profits.

A higher EPS indicates more value because investors will pay more for a company with higher profits.

Date _____
Page _____

Earnings per share = $\frac{\text{Net Income} - \text{Preferred Div}}{\text{End of Period common shares outstanding}}$