

## Stock Price Index Calculation: Price- Weighted Versus Value-Weighted

Stock	Initial Price	Final Price	Price Change	Shares	Initial Value	Value Weights	Value-Weighted	Price Weights	Price-Weighted
A	40	50	0.25	60	2400	0.8	$.8 * .25 = .20$	0.4	$.4 * .25 = .10$
B	60	66	0.10	10	600	0.2	$.2 * .10 = .02$	0.6	$.6 * .10 = .06$
	$(40+60)/2=50$						$.20+.02=.22$		
	$(50+66)/2=58$								$.10+.06=.16$