

Commission

COLLABORATORS

	<i>TITLE :</i> Commission		
<i>ACTION</i>	<i>NAME</i>	<i>DATE</i>	<i>SIGNATURE</i>
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Contents

1	Commission	1
1.1	Commission Help	1
1.2	Commission: Example	2

Chapter 1

Commission

1.1 Commission Help

The Stocks program and SP program calculate commissions by invoking an ARexx script when commission information is needed. The default script name is REXX:CalcCommission.rexx and the commission formula contained in the default script is the commission charged by the brokerage firm StockCross. The formula is as follows:

Stock Purchase/Sale Commission = \$25 + \$0.085 * quantity of shares
(e.g. 100 shares at any price equals \$33.50, 200 shares at any price equals \$42.00)

Option Purchase/Sale Commission:

Under \$2.00: 1-10 Contracts = \$3.00 each
 11-30 Contracts = \$2.00 each
 31+ Contracts = \$1.50 each

Under \$4.00: 1-10 Contracts = \$4.50 each
 11-30 Contracts = \$2.50 each
 31+ Contracts = \$2.00 each

Under \$8.00: 1-10 Contracts = \$6.50 each
 11-30 Contracts = \$3.50 each
 31+ Contracts = \$3.00 each

>= \$8.00: 1-10 Contracts = \$8.00 each
 11-30 Contracts = \$6.00 each
 31+ Contracts = \$5.00 each

There is a \$20 minimum.

This script is provided as an example and you should customize it to the commission formulas used by your brokerage firm.

The ARexx script is invoked from the Stocks or SP program and is passed a number of parameters. The type of transaction (BUY or SELL), whether the transaction involves stocks or stock options, the name of the stock, the number of shares or options being bought or sold and the price of the shares or options.

From this information you should be able to calculate the appropriate commission. This commission is passed back to the calling program.

If you do not know how to modify ARExx scripts (and don't wish to learn) contact Bug Free Development for assistance. Please include the commission formulas used by your brokerage firm in your correspondence.

1.2 Commission: Example

```
/*
** Calculate Stock Commission for StockCross Brokerage Firm
*/

PARSE ARG type stockOrOption name quantity price

/*
** type = BUY or SELL
**
** stockOrOption = STOCK or OPTION
**
** quantity = number of shares traded
**
** price = price of stock or option
*/

/*
** StockCross does not treat BUY or SELL any differently
** so nothing is done with type.
*/

select;
  when stockOrOption = "STOCK"
  then do
    commission = 25 + 0.085 * quantity
  end

  when stockOrOption = "OPTION"
  then do
    select;
      when (price < 2.000)
      then do
        if quantity < 1100
        then commission = quantity * 0.030
        else
          if (quantity < 3100)
          then commission = quantity * 0.020
          else commission = quantity * 0.015
        end
      end

    when (price < 4.000)
    then do
      if (quantity < 1100)
      then commission = quantity * 0.045
      else
```

```
    if (quantity < 3100)
      then commission = quantity * 0.025
      else commission = quantity * 0.020
    end

    when (price < 8.000)
    then do
      if (quantity < 1100)
        then commission = quantity * 0.065
        else
          if (quantity < 3100)
            then commission = quantity * 0.035
            else commission = quantity * 0.030
          end
        end
      end

    otherwise
      if (quantity < 1100)
        then commission = quantity * 0.080
        else
          if (quantity < 3100)
            then commission = quantity * 0.060
            else commission = quantity * 0.050
          end
        end
      end

    if (commission < 20.000)
      then commission = 20.000
    end

    otherwise
      say "Unknown stockOrOption Type"
      commission = 0
    end

  end

exit trunc( commission + 0.0005, 3 )
```