Commission

COLLABORATORS

	TITLE : Commission		
ACTION	*NAME*	*DATE*	*SIGNATURE*
WRITTEN BY		September 19, 2022	

REVISION HISTORY

NUMBER	DATE	DESCRIPTION	NAME

Contents

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
**
** quanitity = 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

       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

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

    if (commission < 20.000)
    then commission = 20.000
  end

  otherwise
    say "Unknown stockOrOption Type"
    commission = 0
 end

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