Adding a stock split

When a security splits, you're given additional shares.

A reverse split is a reduction in the number of shares of stock. The opposite of a stock split, a reverse split means that shareholders will hold fewer shares, although the value of their investment remains the same. Companies use various formulas to determine how much stock each shareholder should have, such as 1-for-2 or 1-for-5. If you own 100 shares of the stock YUP, valued at $5 per share, a 1-for-2 split means you will have 50 shares valued at $10 a share. In each case your stake is worth $500. Companies often announce reverse stock splits to make their stock more attractive to institutional investors. Some funds have prohibitions against buying stocks that are priced too low, which are considered very speculative. Stock prices often sag for some time after the announcement of a reverse split.

If this is a reverse split, for example, 1-for-2, you would end up with fewer shares rather than more, and each share would have a higher ending price. For example: For a 1-for-2 reverse stock split, enter 1 in the New Shares field and 2 in the Old Shares field.

Use the Stock Split transaction type to record split or reverse split of any stock that you are holding.

To add a stock split

1. Select the investment account you want to use and click the **Transactions** tab..
2. Click the **Transactions** tab and then click the **New Transaction** icon in the register toolbar.
3. Select **Stock Split** from the Transaction Types list.
4. Add the information for:
    - **Date** - Enter the date when the shares were transferred to your account.
    - **Security** - Select the security for which the shares are transferred to your account.
    - **Split Ratio** - Enter the ratio of the split. For example, 2 for 1 or 1 for 2.
    - **Memo** - Enter the note you want to associate with the transaction.
    - **Tags** - Enter the tags that you want to use when searching for the transaction.
5. To add an attachment, go to the **Attachments** tab, click the **Add attachment** button, and select the file you want to attach to the transaction.
6. Click **Save** when you are done.