**Equity Analysis:**

**“Using the Equity Analysis shows how much investment, towards the purchase of stock shares is required, in order to arrive on the pre-set (target) profit”**

To perform this analysis, kindly follow these steps:

1. First, calculate the Return on Investment

**Return on Investment/Earning per Share =** Earned Profit / Value of stock shares

1. Then, divide the pre-set Profit on the Return on Investment

**Required Investment =** Pre-set Profit / Return on Investment