Example 2.1. You sell a stock short for a price of $1,000. The margin requirement is 60% of the selling price and the interest on the margin account is credited at an annual effective interest rate of 6%.

You buy back the stock one year later at a price of $900. At the end of the year, the stock paid a dividend of an unknown amount $X$. Knowing that you earned an annual effective yield rate of 20% on your sale, how much was the amount $X$ of the dividend?