

Instructor: Brandon Detlefsen
School: Leigh Community Schools
Course: General Business, Economics
Strategy: Simulation/Game

Unit: Personal Finance
Lesson: Stock Market
Length of Time: 5-10 hours
Intended Level: Secondary

Unit Overview/Lesson Description:

This unit is an introduction to the stock market in which students will become knowledgeable of investment terms and stock market vocabulary. Students will select and track real-time stocks by using Internet sources. The students will play a stock market game simulation utilizing Excel spreadsheets.

Nebraska Essential Learnings Covered in Unit:

BE 12.5 Students will understand basic economic and financial principles in order to make wise domestic and global decisions related to their personal financial affairs, the successful operation of organizations and the economic activities of the country. Students will demonstrate competency by applying economic and personal financial reasoning to individual, business and government practices.

Instructional Content:

- Information Technology – use technology and economic skills to make wise personal decisions based on inflation and present and future value of money
- Markets and Prices – analyze and describe the role of markets and prices in the United States economy
- Productivity – explain the importance of productivity and how it is affected through specialization, division of labor, investment in physical and human capital and technological change
- Personal Decision Making/Resource Management – use a sound decision-making process as it applies to the roles of consumers, workers and citizens
- Saving and Investing – evaluate saving and investment options to meet short- and long-term goals, including knowledge of present and future value of money

Links to Nebraska Standards:

- R 12.1.2 Students will locate, evaluate, and use primary and secondary resources for research
- R 8.4.1 Students will identify information gained and complete tasks through listening
- M 12.2.3 Students will perform estimations of and computations of real numbers mentally, with paper and pencil, and with technology
- M 8.5.2 Students will read and interpret tables, charts, and graphs to make comparisons and predictions
- SS 12.3.12 Analyze the role of the national, state, and local government in the United States economy
- SS 8.3.5 Explain the structure and operation of the United States economy and the role of citizens as producers and consumers
- SS 8.4.5 Interpret economic and political issues as expressed in various visuals

Links to National Economics Standards:

- ✓ Standard 5: Gains from trade
- ✓ Standard 7: Markets; price and quantity determination
- ✓ Standard 8: Role of price in market system
- ✓ Standard 16: Role of government

Links to National Standards in Personal Finance:

- ✓ Standard 4: Saving and investing

Instructional Resources:

- Excel spreadsheet “My Personal Portfolio” developed to keep record of each student’s stock reports (see attachment)
- Stock information worksheet (see attachment)
- “The Stock Market” instructional PowerPoint (see attachment)
- Optional: *Wall Street Journal* and/or stock section of any major daily newspaper
- Optional: Online FREE stock market simulation games available at these websites:
<http://www.crews.org/curriculum/ex/compsci/8thgrade/stkmkt/index.htm>
<http://smg2000.org>
<http://game.marketwatch.com/Home/default.asp>
<http://nationalsms.com>

- Optional: “Learning, Earning and Investing,” 2004 ©. ISBN 1-56183-570-2. Moody Foundation publication/textbook made available through the National Council on Economic Education (NCEE), 1140 Avenue of the Americas, New York, NY 10036. Also available online <http://lei.ncee.net/>.

Particular chapters in text relating to unit include the following lessons:

- ✓ Lesson 4: What Is A Stock?
- ✓ Lesson 8: How to Buy and Sell Stocks and Bonds?
- ✓ Lesson 9: What is A Stock Market?”
- ✓ Lesson 10: The Language of Financial Markets
- ✓ Lesson 18: How Are Stock Prices Determined?
- ✓ Lesson 23: Investing Involves Decision Making

URLS:

http://www.nasdaq.com	Stock Prices
http://www.nyse.com	Stock Prices
http://www.younginvestor.com	Stock Education
http://lei.ncee.net	Learning, Earning and Investing site for text

Classroom Activities/Procedures:

Day 1: Students will be introduced to investment terms, vocabulary and concepts using “The Stock Market” PowerPoint (see attachment)

Day 2: Students will complete the “Stock Information for Companies” worksheet on four different companies—one worksheet to be completed per company (see attachment)

Day 3: Students will utilize “My Personal Portfolio” Excel stock market portfolio to record the activities for their stock market simulation.

Days 4-5: Students will buy and sell stocks using the Internet and/or newspaper as a research tool. It is recommended that students check their stock at least weekly for a specific time period. The winner is determined on the last day of the assigned amount of time. (Grading Rubric assumes that students will make at least 5 trades).

Student Instructions to Play “The Stock Market Simulation”:

- Open Excel program and locate “My Personal Portfolio” stock portfolio file. The spreadsheet will keep track of all the money spent and earned throughout the length of this project.
- Once you find a stock you would like to purchase, input the company name(s) and ticker symbol(s) in the far left side of the first two lines on the spreadsheet. Then input the number of shares you would like to purchase, followed by price per share. Hit enter. The totals should automatically change for you! **You will never change the price per share box after you enter the price.** Now, go back and look to see if the price per share is still the same on the stock? If the price changed, you will need to input the current price into the appropriate location on the spreadsheet line. You will notice a change in your profit or loss column to reflect if you have made or lost any money!
- If and when you decide to sell the stock, you can do this by typing a “y” in the column “sell y/n.” You will notice the “Cash Back” column will automatically tell you how much money you have gained or lost. You will also be able to watch your total dollar amount on the very top of the spreadsheet in the “Cash on Hand” section.

Teacher Tips for “The Stock Market Simulation”:

- Make sure to keep an eye on students so they don’t change the price per share box after they first purchased the stock.
- Also, make sure the students know they won’t always make this much money in real life!!!!
- Teachers, if you don’t want to use this Excel spreadsheet for your stock simulation, you can try any of these stock market simulations:

<http://nationalsms.com> National Stock Market simulation

<http://smg2000.org> Economic Ed’s Stock Market game

<http://game.marketwatch.com/Home/default.asp> Virtual Stock Market game

<http://www.crews.org/curriculum/ex/compsci/8thgrade/stkmkt/index.htm>

Business teacher Tina Crewe’s stock market simulation and handbook, with link to the popular “Stocks Quest” online game

Stock Market Unit Grading Rubric				
Student Name:				
Project Activity	Criteria	Points Possible	Maximum Points	Points Earned
Company Worksheets	Completed 1 form for each of the 4 companies	0-5 for each company	20	
	Correct stock ticker symbol	0-4 1 pt per company	4	
	Adequate company overview	0-4 1 pt per company	4	
	Correct Identification of Management Personnel	0-4 1 pt per company	4	
	Adequate company history	0-4 1 pt per company	4	
	Correct information on products	0-4 1 pt per company	4	
“My Personal Portfolio”	Daily or weekly buying/selling trading activity	0-5 pts per trade	25	
	Buy/Sell activities reflect informed, logical decision making	0-5 pts per trade	25	
	Accurate stock ticker & prices input in portfolio, as demonstrated by Excel competency	0-10 Evaluated at completion of project	10	
Grade Evaluation	Company Worksheets	40		
	Portfolio	60		
Total Points		0-100	100	
Grade Legend	A	94-100	Proficiency	
	B	93-87	Competency	
	C	86-77	Basic	
	D	76-70	Needs Improvement	
	N/C	Below 70	No Credit	

Stock Information Sheet for Companies

Student Instructions: Complete ONE FORM for each company in which you are investing

1. Corporation Name:
2. Ticket symbol:
3. Overview (type or nature of business)
4. History (stock and/or relevant company history)
5. Management (name of CEO and/or President and the Board Members)
6. Product and/or Services (what product or service they sell/provide to the public)
7. Current stock price:
8. Location of company headquarters:
Other locations?
9. What interest do you have in the stock and how do you think it is going to do in the next few weeks?
10. Is the company currently in the news for anything? If yes, what?