

## Unit 9: Stock market exercise: Instructor notes

Purpose: To show the potential for growth and risk when investing in the stock market.

- In groups, pairs or as individuals give each student a hypothetical fund of \$5000
- Select ten stocks from the US Stock Exchange and/or NASDAQ (Sample set provided). Include a very brief description of the type of company it represents along with its stock symbol. There should be a mixture of industries represented. All of this can be easily researched on the internet.
- List the price of the stock as of December 31 of an earlier year; at least 6 months prior to the date of the class. Stock price histories available on most financial websites such as <https://finance.yahoo.com>. Exclude or adjust price for stocks that may have experienced a stock split in the time period covered. Round prices to the nearest \$1 for ease of math.
  - Note for greater impact use a 3-5 year time period
- Have the student create a portfolio of stocks they would like to invest in. They can select one, all or a few of the stocks on the list. They can have up to \$100 left over if they want to, which is also part of their portfolio.
- Next, research and provide them the current price (rounded to the nearest dollar) of the stocks to see which have gone up and which have declined.
- Each person (group or pair) computes the revised value of their portfolio based on the change in stock price. Whoever has the most gain is the *winner*.
  - Optional: also provide/add in the value of any stock dividends which would also need to be researched and provided to the students ahead of time when they make their selections. Note that dividends are reported annually, are paid quarterly and change over time.
- Important to emphasize the small snap shot in time you are using and that the gains are only realized upon selling the stock.
- Stock investments should be based on long term growth not quick gains.
- Don't attempt to analyze why some had greater gains than others as many factors will be at play to impact stocks.

## Unit 9: Stock Market Exercise: Student Worksheet

**Instructions: Part 1.** It's New Years' Eve 2020. You have just inherited \$5000 from your wise and frugal Aunt Tillie. Having already set up your two savings funds, you want to be sure to use this precious gift in a way she would be proud of. Using the set of stocks provided below, develop a portfolio of the stocks you intend to invest in. You can invest in one, all, or select stocks as long as your total portfolio comes to \$5000. (You can have up to \$100 cash left over.)

Name	Symbol	Industry	Price* 12/31/20	#Shares	Cost	Price* Today	Cost
Microsoft	MSFT	Tech					
ExxonMobil	XOM	Oil					
Amazon	Amzn	Retail					
Pfizer	PFE	Pharma					
Ford	F	Auto					
Wells Fargo	WFC	Financial					
Sprint	S	Telecom					
Public Storage	PSA	Prop Rental					
McDonalds	MCD	Restaurant					
Home Depot	HD	Retail					
Stock Portfolio							
Remaining Cash							
Total Portfolio					\$5000		

**Part 2.** Time has gone by. Using current stock prices\*, how much are your stocks are worth today? Has your total portfolio gone up or down?

*\*Stock prices rounded off to the closest dollar*