Play The Market

Student teams will play the stock market by buying and selling stock. Teams will research, select, and track stocks for one month. They will calculate gains or losses on their purchases.

Materials/Supplies
Computer with Internet access, paper, pen/pencil, "Introduction to Stocks" handout

Activity
- Divide the class into teams of four students.
- Each team will have $10,000 to invest. This activity is designed to last four weeks.
- Teams should initially research four stocks and decide which stock or stocks to purchase based on their research. Research can be done via the Internet at such sites as Excite's Money and Investing site at <http://money.excite.com. Teams should use the "Introduction to Stocks" handout for research, completing one for each of the stocks they research. Teams may purchase one, two, three, or all four of the researched stocks.

Option: You can select stocks and distribute them to teams to research.
- At the end of each week, teams should evaluate their stocks and calculate how much they have gained or lost in dollars and by percentage. They should research two more stocks weekly and decide whether to sell some of their stocks to buy other stocks or hold their stock. Teams may make one trade per week.
- At the end of four weeks, have the teams evaluate their stock portfolio and write an overview about what they learned during this activity. Ask them to include overall gain/loss figures, whether they feel they made the correct decisions when selecting/buying/selling stocks, and what they would do differently if they did this activity again.
Activity (continued)
Option: Play the Stock Market Game from the Oklahoma Council on Economic Education. Have teams write weekly reports on their gain/loss information, the stocks they bought and sold, and why they made their decisions to buy or sell. This is an electronic simulation game.

Evaluation
Each team should provide weekly research forms, documentation of gain/loss, and a final overview of the project including the points listed above.

Additional Resources
- Oklahoma Council on Economic Education web address: "http://www.oc ee-ok.org"
- Oklahoma Council on Economic Education, Dr. Sue Lynn Sasser, President, 100 N. University Drive, Edmond, OK 73034, phone: (405) 974-5627, FAX: (405) 974-3853, email: ocee@aixl.ucok.edu
Introduction to Stocks Handout

To answer the following questions, select a stock to research and go to the Internet site <http://money.excite.com> to do your research. Click on the "Symbol Lookup" button and type in the name of the company you wish to research.

Team members: __________________________ Date of research: __________________________

1. Name of stock: __________________________

2. Trading symbol: __________________________

3. What does this company do? (Use the "Profile" section for this information.)________________________

4. Price of the stock today: ______________ Price one year ago: __________________________
   Price three years ago: __________________________
   (Use the "chart" section to locate this information.)

5. What is the 52-week price range of the stock? __________________________
   (Look in the "Fundamentals" section for the information in questions 5 - 7.)

6. What is the latest quarterly return? __________________________

7. What is the latest 12-month return? __________________________

8. What is the long term growth rate? __________________________
   (Use the "Analysts Ratings" section for information in questions 8 - 11.)

9. What is the analyst consensus rating of this stock? __________________________
   (One is the highest score, five is the lowest.)

10. What is the long term growth rate of the stock? __________________________

11. Click on the "Stock Comparison" button near the top of the chart. This should bring up a list of other stocks within the same sector as your stock. Select several of the competitors, then click the "Go" button to see how your stock compares to others in the sector. How did your choice compare with the others? __________________________

12. Do you feel this stock is one in which you would like to invest? Why or why not? __________________________

May be photocopied for student use.

Career Development Activities

CIMC-11-31