

Math 6 - Act. 02: Investing Money

Summary

Students will invest and track their pretend \$3,000 over a period of time. They will pretend to invest \$1,000 each in stocks, \$1,000 in a saving account, and \$1,000 in some type of "metal."

Materials

Internet access or the market sections of newspapers
Tally sheets
Graph paper

Intended Learning Outcomes

Make mathematical connections.

Instructional Procedures

Information

Stocks are shares of ownership in a company. A company sells shares to get money to operate their business. People and companies buy stocks with the hope that they can sell them in the future for a profit. The price of shares is published on the internet and in newspapers. Stock histories can be researched on the internet.

Invitation to Learn

Ask the following questions: "How many of you are hoping to buy a car when you graduate from High School? What kind would you like to buy? How much would it cost? Imagine you receive \$3,000 today. How would you save the money? What are some of the options you have?"

Instructional Procedures

Explain to the students that they are going to invest and track their pretend \$3,000 over a period of time. They will pretend to invest \$1,000 each in stocks, \$1,000 in a saving account, and \$1,000 in some type of "metal."

Begin by explaining stocks and their purpose. Describe some of the things that can cause stock prices to rise and fall. Have students pick at least three stocks from the newspaper or the internet. If you have computer access, have them research the stock history. Encourage them to explain why they selected their companies. Demonstrate how to calculate the purchase of their stocks. Their goal is to spend as much as possible of the \$1,000.

Explain that some people prefer to buy metals. Have them make some suggestions about where would be good places to store the metals they purchase. Have the students pick a metal to buy and calculate how many pounds of the metal they can purchase for \$1,000.

Explain that other people prefer to keep their money in banks. This is a very secure way of saving money. Another advantage is the easy availability of the money. Then explain that the banks pay you interest for the use of your money. Demonstrate how saving accounts accrue interest. Have the students pick a bank in which to deposit \$1,000.

Have the students answer the following questions in their journals:

Which of the three investments do you think will earn you the most money?

Which investment do you think is the most convenient?

Which investment is the most secure?

If you were actually investing \$3,000 dollars, how would you invest it?

Explain how to calculate your purchase price for a stock.

Throughout the year, have the students periodically calculate and graph their earnings.

Extensions

Possible Extensions / Adaptations

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Students could do more extensive research about the companies they selected. Encourage the students to find reasons why their companies have been successful/unsuccessful. Invite stockbrokers, investment managers, and bankers as guest speakers. You could also have the students calculate interest on loans and credit cards.

Homework & Family Connections:

Students could be encouraged to discuss with their parents family investment strategies and values.

Assessment Plan

Assessment would be the accuracy of the calculations made in purchasing and selling investments. Their ability to estimate can be observed as they calculate how much they can buy of the different stocks.

Authors

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