

Playing the Stock Market

Summary

Students have spent time exploring the stock market through the Internet and have completed a packet working through exercises to show them how a company sells stocks to provide funds to get started with to how a company tracks it's stocks to show a profit or loss. Students are usually eager at this point to form their own company but they are still uncertain how a stock actually works day to day and how the market affects the success of their business. Giving students a chance to have hands-on experience with the stock market better prepares them to see how business operates around them and gives them more incentive to make the company they will form a success.

Time Frame

2 class periods of 45 minutes each

Group Size

Individual

Materials

Students will access the Internet through Netscape which will be bookmarked by the teacher so students can go directly to the simulation.

Background for Teachers

The TLC Bus/Marketing program was created approximately ten years ago to give students an insight into technology that they might find in the business world including such basics as counting change to writing a check. Students explore all areas of a company including administration, production, accounting, sales, etc. The end result of this exploration is for students to run their own company using the skills they've learned. To set up their companies one thing they do is sell stock. At the end of the simulation they gain or lose TLC money according to how well the company does which is reflected in stock.

Students have had the workings of the stock market explained to them and have worked on a series of six handouts dealing with the basics of stocks. They understand the concept of stocks but really have no concept of how all this information affects them or the buying decisions they make. Using a simulation gives them the chance to actually invest in the stock market and then to see how different things affect their stock and what the end result will be. They will be more prepared to make the decisions necessary in forming their own company and in running it wisely in order to make a profit.

Intended Learning Outcomes

Students will see how the performance of a company affects its stock value resulting in profits or losses. They will understand the importance of working together to make the company they form work. They can earn dividends to give them more buying power for the final activity of the term which is an auction.

Instructional Procedures

Begin this lesson by giving the students current stock information on a few well known companies. If possible share information on companies whose stock has shown great profit or loss in a short amount of time. Students will work individually. They will access the Internet and go to the bookmark for the simulation. They will then work through the simulation beginning with looking at the track records of stocks and picking out stocks, to buying with a set amount of money, to selling in order to

make a profit. At the end of the simulation students will print out a report showing their stock activities and the end results of their investing.

Closure: At the end of this activity students will be ready to form their own company. They will interview for positions in the company. As executives hire workers and begin production they will see how the company's activities and productivity affect stocks day by day and what the end result will be.

Extensions

(1) Students will form their own company by first deciding how many shares of the company they will offer to the public and then deciding on a fair market value. They will run the company for ten days and at the end see the affects of their success of failure by the profit or loss made by their stocks.

(2) Students may participate in The Stock Market Game sponsored each year by the Deseret News.

(3) Students may invest in the stock market with their own funds (contingent upon parental permission) and follow their stock for a period of six weeks, tracking and adjusting as they see fit.

Assessment Plan

1. Require students to keep a log of their simulation experience.

2. Conduct a class discussion about the overall experience with the simulation.

3. Assign a summary/conclusion paper outlining the learning gained from this simulation experience.

Authors

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