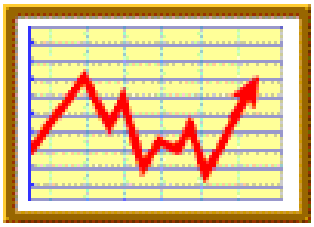


# Lesson Eleven
# Stock Market

**Introduction:**

A stockholder invests money in a company. The company uses the money to run the business, help it grow, and if successful, the business shares its profit with the stockholder. If the business loses money, the value of the stock will go down and the investor may lose part of the investment. While investing in the stock market may be a way to increase income, it is important to understand there is some risk involved.

**Objective:**

- To experience a fictitious stock market.

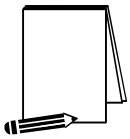
**Suggested Activity:**

***Group Project***

Before becoming involved in the fictional stock market, students should understand the concepts of profit, loss, risks and trends. You may want to invite a speaker to help educate the students about these concepts or visit the Boston Stock Exchange (BSE). The BSE is a state of the art trading and communications facility in Boston's historic financial district. Call the Visitors Gallery Information Line at 617-235-2223 for more information.

- Introduce stocks 1-5, found in the attachment section of this lesson. After following the stocks over a period of time through the School Street Journal (attachments), graph the trends to see which stock(s) the children may be interested in purchasing.
- Before reading the fourth issue of the School Street Journal, have each student purchase stock(s) by writing a check to the company. Copies of the checks can be found in the attachment section of Lesson Six. After purchasing stock(s), each child should receive a stock certificate (attachments).
- Now students can read the fourth issue of the School Street Journal to see if they want to buy or sell more stock(s).
- If they want to sell their stock(s), fill out the proper form (attachments). If they want to buy more stock(s), follow the initial procedure.

# ***Attachments***



- Glossary
- Web Sites
- *Kids Stocks – Found on the Kids School Stock Exchange*
- *School Street Journal – Issues 1 to 4*
- *Memorandum – Stock Purchasing Form*
- *Stock Selling Form*
- *Stock Ownership Certificate*

# GLOSSARY

| | |
|---|---|
| **Invest** | Use money for something that is expected to produce a profit. |
| **Investor** | Person who gives money to help build a business. |
| **Investment** | The money given to help build a business. |
| **Loss** | An amount of money lost. |
| **Profit** | The gain from a business. |
| **Risk** | The chance an investor takes to make a profit or to lose money. |
| **Stockholder** | A person who owns a share of a large company. |
| **Trend** | Things that go up in value because they are popular. (baseball cards, beanie babies, barbie dolls) |

# *RELATED WEB SITES*

| Web Site | Topic |
|---|---|
| www.agedwards.com/bma/index.shtml | Star Traders Stock Game |
| http://tqd.advanced.org/3096/index.htm | Stock Game |
| www.smg2000.org | The Stock Market Game |

# *Kid's Stocks*: Found on the Kids Stock Exchange*

**STOCK ONE: L.E.A.H. Corporation (Leaders in Education for Animal Health)**
***Description:*** This is a new public offering from a previously privately owned company that specializes in educating children about their pets and wild animals. Staff are invited to speak at zoos, pet shops, and schools and often bring animals with them.

| | |
|---|---|
| CURRENT PRICE: | $200/Share |
| LAST WEEK'S PRICE: | $200/Share |
| TYPE: | Low risk, low yield |

**STOCK TWO: P.A.G. Travel (Pictures are Great)**
***Description:*** This is a new offering by a company specializing in travel to exotic places. Destinations include special trips to the Great Barrier Reef in Australia including scuba diving and underwater tours. A tour aboard a special boat that uses the inland waterways in the southern U.S. to observe alligators and crocodiles is also being offered.

| | |
|---|---|
| CURRENT PRICE: | $200/Share |
| LAST WEEK'S PRICE: | $200/Share |
| TYPE: | Low risk, low yield |

**STOCK THREE:** The Toy Tech Factory
***Description:*** This is a new offering by a company that specializes in games, specifically in 3D-interactive computer software games. Their latest game pits players against multi-headed, multi-armed dragons with magical powers at 13 skill levels.

| | |
|---|---|
| CURRENT PRICE: | $100/Share |
| LAST WEEK'S PRICE: | $96/Share |
| TYPE: | High risk, variable yield |

**STOCK FOUR:** Bagels R' Us
***Description:*** This is a new offering by a company that has the idea of making bagels in the shapes of letters and numbers.

| | |
|---|---|
| CURRENT PRICE: | $100/share |
| LAST WEEK'S PRICE: | $96/Share |
| TYPE: | High risk, variable yield |

**STOCK FIVE:** Candy 4 A Penny
***Description:*** This is a new offering by a company that makes hard and soft candy at $.01 per piece. Some of the candy costs more than $.01 to make and some of the candy costs less than $.01 to make, but the company hopes that people will buy large amounts of candy.

| | |
|---|---|
| CURRENT PRICE: | $100/Share |
| LAST WEEK'S PRICE: | $98/Share |
| TYPE: | High risk, variable yield |

****Note: All stocks are imaginary and can only be purchased with your school checks and dollars!***

# THE SCHOOL STREET JOURNAL

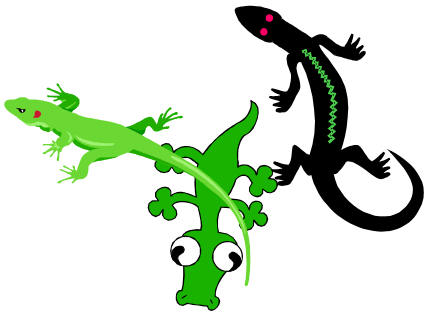
Volume 1, Issue 1 "Where Money Moves like Mad!"

## *GOOD WEEK FOR KSSE*

***(Kids' School Stock Exchange)***

The KSSE gained 275 points in active trading this week. Here are some brief updates about stocks on the KSSE.

**L.E.A.H. Corp.** did very well this week gaining 50 points ($50) in active trading, closing at $250 per share. The company landed an account with the Local City Public Schools. Staff will be bringing lizards (Anoli and Dipsosauri) to all grades. Each class will get to keep a pair of lizards.



**P.A.G. Travel** gained $50 per share for its investors this week. Stock is now up $250 per share. PAG is benefiting from the unpredictable weather and is promoting tours to South American Rain Forests. Celebrities are leading tours and people are lining up for blocks to sign up!

**Toy Tech Factory** had active trading this week and gained 25 points ($25). Stock is now $125 per share. Sales are brisk for "Damiens Dragon." TV appearances are promised for anyone who can conquer Level Three!

***Bagels R Us*** *is up 50 points this week. Stock is now $150 per share. Lettered and numbered bagels are catching on. People are using them for breakfast, spelling out "Good Morning" and then eating the message.*

Candy 4A Penny went up $100 per share this week. Stock is now $200 per share. Production can hardly keep up with the demand for "Snapping Turtles" - the chocolate candy turtles that make loud snapping noises as you chew them. Thousands are being sold everyday!

*******Flash Headlines*******

***Fire burns down largest sugar plantation in Hawaii...**

***New virus discovered that is deadly for Asian Lizards...**

***Bomb threat in Brazilian Airport...**

***Popular TV game offers three hot new games.**

# THE SCHOOL STREET JOURNAL

Volume 1, Issue 2 "Where Money Moves like Mad!"


## *QUIET WEEK FOR KSSE*
## *(Kids' School Stock Exchange)*

The KSSE gained only 10 Points trading during the past few days. Here are some brief updates about stocks on the KSSE.

**L.E.A.H. Corp.** stayed relatively constant the last few days gaining only 10 points. Stock is now $260 per share. The company is feverishly preparing for their newest customers. Each class will get to keep a pair of lizards! Finally, the company will be able to send off the large number of lizards that they've been taking care of for the last year.

**P.A.G. Travel** lost $10 per share the last few days. Stock is now $240 per share. The company's tours to the South American rain forest are filled to capacity. They are continuing to charter planes from several different airlines. This will be a good showcase for the company.

**Toy Tech Factory** Saw almost no trading the past few days and neither gained nor lost. The stock is still at $125 per share. Although sales are brisk for "Damiens Dragon," Nintendo has promised to release a competitor very soon.

**BAGELS R US** was quiet the last few days. Stock is still $150 per share. The concept is still intriguing, and people continue to use Bagels R Us bagels for meals. They are starting to show up at the workplace as well as at home.

**Candy 4A Penny gained $10 per share this week. Stock is now at $210 per share. Production is at max for "Snapping Turtles" - the chocolate candy turtles that make loud snapping noises as you chew them. Orders are coming in by the boxful.**

******FLASH HEADLINES******

***Airline pilots threaten to strike...**

***Smokers won't be able to smoke anywhere in MA...**

***Deadly computer virus hits Nintendo Games...**

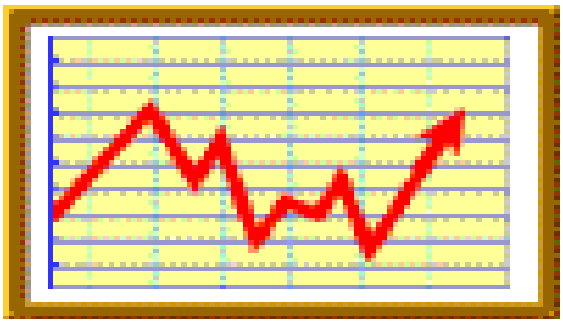
***The Donut Factory is selling bagels like hotcakes!**

# THE SCHOOL STREET JOURNAL

Volume 1, Issue 3 "Where Money Moves like Mad!"

## *MODERATE TRADING ON THE KSSE (Kids' School Stock Exchange)*

The KSSE gained 110 Points in brisk trading the past few days. Here are some brief updates about stocks on the KSSE.



L.E.A.H. Corp. Lost 25 points in active trading. Stock is now $235 per share. Lizards now enroute to classrooms in the local public schools. California, Wyoming and Kansas have inquired about this program. The company is slithering to restock their supply of reptiles.

P.A.G. Travel gained $10 per share. Stock is now $250 per share. Preparation is completed for the South American tours with other tours in progress. The company's trip to the Galapagos Islands is under development. The first 10 people to sign up receive the iguana of their choice.

Toy Tech Factory gained $50 per share. Stock is at $175 per share. With the demise of its major competitor, it looks like clear sailing for this fledgling company.

Bagels R Us The stock rose $25 per share and is now $175 per share in an amazing deal with the Children's Cartoon Network, the company lands a contract to supply bagel letters and numbers to cartoon characters.

Candy 4A Penny gained $50 per share this week. The stock is now at $260 per share. The company, fueled by recent success, is arranging a loan to manufacture more Turtles. New markets have opened up in Canada.

*******FLASH HEADLINES*******

***Airline pilot strike averted at 11th hour...**

***No way found to purge Nintendo virus yet...**

***Veterinary school buys out local animal hospital.**

***New studies show more income available for leisure activities**

# THE SCHOOL STREET JOURNAL

Volume 1, Issue 4 "Where Money Moves like Mad!"

## *MIXED RESULTS IN TRADING ON THE KSSE (Kids' School Stock Exchange)*

***The KSSE lost 120 Points in the most active trading in weeks. Here are some updates about stocks on the KSSE.***

Bagels R Us Everyone is still excited about the Children's Cartoon Network deal that has the company supplying bagel letters and numbers to cartoon characters. Stock has risen $50 per share and is now $225 per share.

L.E.A.H. Corp. lost 35 points in active trading. Stock is now $200 per share. California, Wyoming and Kansas have inquired about this program but have not signed contracts. The company has its supply of reptiles and is waiting for new adventures.

Candy 4 A Penny has taken a beating this week. Although the production of Turtles is at an all time high, the company has been producing them at a loss, and the rest of their candy is not selling well. Can they fix the management problem before they lose all they've worked for? Will they be able to pay the interest on the loan they just received? The stock lost $160 per share this week. Stock is now $100 per share.

P.A.G. Travel stayed steady this week neither gaining nor losing. Stock is still $250 per share.

******FLASH HEADLINES******

***Possibility of interest rates increasing**

***Cure found for deadly reptile virus**

Toy Tech Factory gained $25 per share. The stock is $200 per share. Steady and sure, this company is making good progress. No competition in sight yet!

***Thank you to our many customers who purchased stocks. Keep those certificates in a safe place! If you want to sell, please ask your teacher for the form.***

# MEMORANDUM

**Teacher: _____**

**Date: _____**

**From: _____**

**Dear _____,**

**As part of our Saving Makes "Cents" stock project, I would like to purchase _____ shares of _____ stock at $_____ per share.**

**Enclosed is my check for $_____.**

**Thank You,**

_____

Sign Here

# I Want to Sell My Stock !

Name of Stock: _____

Number of Shares: _____

Price per Share: $ _____

Please Send Me a Check for $ _____

Name: _____

Teacher: _____