

# Stock Market Game™ Core Lessons Description

SMG Core Lessons	Descriptions	Student will be able to...
Company	The lesson compared prominent corporations to help student learn about the many facets of public and private companies.	<ul style="list-style-type: none"> <li>Identify and describe the terms: company, partnership and corporation.</li> <li>Explain the characteristics, advantages and disadvantages of various types of companies.</li> <li>Explain how companies are formed</li> <li>Describe the benefits of forming a business to manufacture and sell a product.</li> </ul>
Stock	In this lesson students will learn how they can own parts of public companies by purchasing shares of their stock.	<ul style="list-style-type: none"> <li>Define and give examples of: common stock, investor, risk, public corporation, private company, preferred stock, earnings and dividends.</li> <li>Explain why there is risk involved in stock ownership.</li> <li>Make decisions as a group on the benefits of investing in stocks verses costs and/or loss of use of capital.</li> <li>Calculate gain and loss from sample stock sales.</li> <li>Explain the differences between common stock and preferred stock.</li> <li>Explain how a company will "go public" by issuing an IPO.</li> </ul>
Risk	After this lesson students will understand that an informed investor must recognize the risks involved with every investment.	<ul style="list-style-type: none"> <li>Define and illustrate the three major kinds of risk</li> <li>Examine companies and determine the risk involved in investing in these companies</li> <li>Research two companies and decide the level of risk their Stock Market Game team would take if they invest in these companies</li> <li>Write a persuasive letter motivating or discouraging an investor from purchasing stocks in a company they researched. Solve decimal multiplication problems.</li> </ul>
Money Grow	In this lesson students will learn about types of interest and various savings venues.	<ul style="list-style-type: none"> <li>Define compound interest and explain the effect of compounding interest on a daily, monthly, quarterly or annual basis.</li> <li>Investigate various investment and saving opportunities.</li> <li>Define and demonstrate comprehension of the following terms: saving, investing, Rule of 72, compound interest, and diversification.</li> </ul>
Dividends	The aim of this lesson is to teach students how an investor receives a return on a stock purchase.	<ul style="list-style-type: none"> <li>Draw conclusions as to how to examine a company before making investments.</li> <li>Describe the factors that influence investment decisions.</li> <li>Calculate dividends paid out to stockholders.</li> <li>Calculate net gain/loss for an investor.</li> <li>Explain the difference between earnings and dividends.</li> </ul>
Funds	The aim of this lesson is to explain mutual funds and how can they aid in investment strategies.	<ul style="list-style-type: none"> <li>Define and identify the characteristics of a mutual fund.</li> <li>Use the newspaper and Internet to research mutual funds.</li> <li>Use their research on mutual funds to help determine team investments for the Stock Market Game.</li> <li>Create and deliver a presentation on mutual funds, their risk and performance.</li> </ul>
Exchanges	This lesson discusses the functions of stock exchanges and advantages or disadvantages of listing on one stock exchange over another.	<ul style="list-style-type: none"> <li>Explain the role of exchanges in shaping the market place.</li> <li>Compare and contrast standard listing requirements for each exchange.</li> <li>Understand the advantages and disadvantages of listing with the NYSE, NASDAQ and AMEX.</li> <li>Describe the differences between a dealers market and an auction market.</li> <li>Draw conclusions as to whether the exchange on which a stock is listed should impact the choices made by SMG teams.</li> <li>Draw conclusions as to the role technology has played in changing the work and impact of the stock market.</li> </ul>
Tickers	This lesson teaches students how to use stock ticker symbols to locate companies. Students will also learn to read a stock quote.	<ul style="list-style-type: none"> <li>Identify stocks by both newspaper and ticker symbol.</li> <li>Determine how to look up a ticker symbol.</li> <li>Enter purchase orders and/or make a trade on The Stock Market Game website.</li> <li>Demonstrate the ability to use each of the following terms: share or stock, dividend, P/E ratio, volume or sales, change.</li> </ul>
Diversify	This lesson will teach students how diversification of investments can help reduce risk.	<ul style="list-style-type: none"> <li>Create a diversified portfolio selecting stocks from at least six industries.</li> <li>Conduct Internet research on different investment options and write a summary of their findings and present to the class.</li> <li>Interpret company and industry charts to determine which investments to make with their SMG teams.</li> <li>Define diversification, risk tolerance, industry and index.</li> </ul>
Sell/Hold	In this lesson students learn to use key resources to help them determine whether to buy, sell or hold a stock. It includes tips on how to read an annual report and compare a company with others in the same industry.	<ul style="list-style-type: none"> <li>Draw conclusions on whether to buy, hold, or sell based on group and individual research.</li> <li>Compare and contrast companies based upon stock market statistical data.</li> <li>Analyze basic financial data.</li> <li>Use the Internet to obtain annual reports and research companies across the same industry.</li> </ul>
Price Change	This lesson explores the influences that affect stock prices.	<ul style="list-style-type: none"> <li>Analyze and interpret market indices, which influence change in the price of stock.</li> <li>Discuss the various ways stock prices are influenced.</li> <li>Evaluate the ways investors can be affected by the change in market prices when choosing to buy, sell or hold.</li> <li>Interpret charts and graphs to better understand the growth and change in stock prices.</li> </ul>
Strategy	This lesson asks students to reflect on the investment decisions their team made during the course of The Stock Market Game.	<ul style="list-style-type: none"> <li>Draw supported conclusions as to whether their strategy in preparing their portfolio was successful and what investment changes they might have made to improve portfolio performance.</li> <li>Generate a detailed report including support material.</li> <li>Deliver a convincing presentation.</li> <li>Give and receive constructive criticism.</li> <li>Evaluate the work of other team members and other students.</li> </ul>