



THE STOCK MARKET GAME™



Building an Understanding of Stocks, Bonds and Mutual Funds

The Stock Market Game in Twelve Easy Steps!

www.vcee.org

and

www.stockmarketgame.org

VIRGINIA COUNCIL ON
**ECONOMIC
EDUCATION**
PAYING DIVIDENDS EVERY DAY

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The Stock Market Game in Twelve Easy Steps!

The Stock Market Game (SMG) can be fun and educational, for students of all ages, grades 4 through high school. Teams of students use \$100,000 in virtual cash to invest in stocks and mutual funds in a real-world investment simulation. There are statewide and regional competitions with great prizes for the highest valued portfolio and an optional InvestWrite essay competition.

Step 1 GET THE INFORMATION YOU NEED

Attend a free VCEE workshop. Visit www.vcee.org for dates and times.

Go to www.stockmarketgame.org and find answers to some of your own questions in the "Teachers New to the SMG" section. Print a copy of The Stock market Game Advisor's Companion (found in the Teacher Support Center under Publications).



The screenshot shows the homepage of The Stock Market Game. At the top left is the logo with the text "THE STOCK MARKET GAME™". Below the logo is a navigation bar with four tabs: "Overview" (green), "Teachers New to SMG" (blue), "Industry Involvement" (purple), and "Registration" (red). The "Teachers New to SMG" tab is active, showing a dropdown menu with options: "Teachers Classroom Experience", "Teacher Support Center" (highlighted with a mouse cursor), "Student Achievement", and "FAQs". To the right of the dropdown is a green box with the text "Learning. Real Results." Below this is a section titled "Celebrating 30 Years!" with a photo of students at computers and a paragraph of text. To the right of the 30th anniversary section is a "Log In" section with fields for "User Name:" and "Password:", a "Log In" button, and a "Register Now" button. There is also a "Login Help" link.

Step 2 GROUP YOUR STUDENTS INTO TEAMS

Divide the class into teams, 2-4 students on a team is recommended. (No more than 4 per team). Each team will create an online "team portfolio" in the simulation. Students research and make stock selections as a team. Suggestion: teams keep a folder with their research, stock selections, journals, charts, or any other materials they may produce using SMG.

Step 3. REGISTER YOUR TEAMS

Complete the online registration form for the Stock Market Game™ Program at www.stockmarketgame.org

Follow the Register/Register Now links



- You will be invoiced within a few weeks of your enrollment.
- The **fee is \$15 per team/ \$25 per team** for year long game.
- You are responsible for full payment of all registered teams- used or unused.
- You may delete teams **prior to the beginning of the game** (contact SMG Coordinator smg@vcu.edu, you will not be charges for deleted teams)
- You may add teams at anytime. Contact the SMG Coordinator smg@vcu.edu to add; **do not register again.**
- After enrolling, within a few minutes you will receive an email with a Teacher ID and password. The following day you will receive another email with the team IDs and passwords. If you do not receive the second email message in 2 or 3 days—be sure to contact the SMG Coordinator at smg@vcu.edu (*Note: account generation starts 3 weeks prior to the competition*)

Step 4 CHOOSE YOUR LESSONS

Enter the Teacher Support Center on the SMG web site (use your teacher ID and password). Check out the resources, lessons, etc. to help your class get started. Introduce students to concepts like "What is a stock?" and "private and public companies". Students can use the attached *Stock Data on the Internet* and *Stock Data Record* to learn to read and track stock selections.

Step 5 PRE TEST (OPTIONAL)

Administer the SMG pre-test before you start teaching. (Post-test students at the end of game) You can find the pre-post tests online in the Teacher Support Center in the Assessments Section.

Step 6. EXPLORE STOCKS

Students begin thinking and researching about stocks they may want to trade. Read/watch TV and discuss current events about companies, stock market performance, and the economy. Visit websites focused on stock research:

<http://moneycentral.msn.com/investor/home.asp>

<http://finance.yahoo.com>

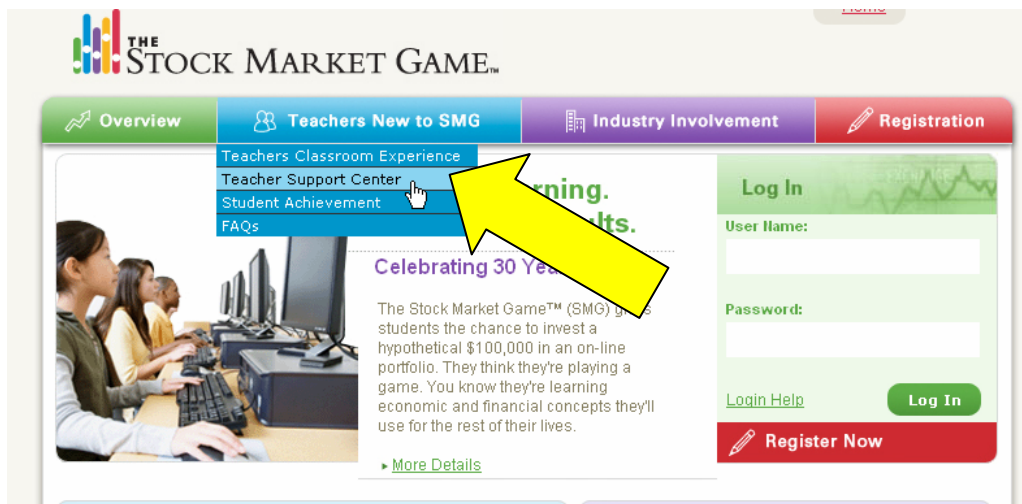
<http://thestreet.com>

Tip: For older students, have different teams research a financial website and share information they found with the class. For younger students, try using the Yahoo website (probably easiest to navigate.) I also recommend TheStreet.com, a website which is built into the Stock Market Game simulation.

Step 7. TEACH STUDENTS HOW TO PARTICIPATE

Do core lesson *Getting Started* from the Teacher Support Center (also found in the SMG Advisor's Companion)

Show students *Understanding Portfolios*. Visit www.stockmarketgame.org and select the blue tab. See the two steps below.



Step 8 TEAMS LOG-IN

Log-in! Assign a student team ID and password to each team and have them login to their team portfolio at www.stockmarketgame.org. (You received these IDs/passwords by email.) Students can log in before the program begins but they cannot trade until the first day of the simulation. Students may begin making trades any time after the competition begins.

Step 9. REVIEW THE RULES

Review the Rules. (See the short version in this booklet) Complete rules can be found on the home page of their online portfolio. Remind students that this is a *team* competition; and that trades should be made based only on a *team* decision.

Step 10 MAKE DECISIONS AND TRADE

Let students meet to discuss their stock buying ideas and make their first purchases. You may want to have them journal each meeting (*see Journal Template in this booklet*). After they've made their first buys, allow time each week for them to review their portfolios, rankings, and discuss more buys or sells. Students can buy/sell as often (or as little) as you want, whatever best fits your class time. Portfolios are updated every evening. **Rankings** are updated weekly on Friday evening. Teams may view rankings from their portfolio. Teacher may access portfolios and rankings through the Teacher Support Center (*If you are short on classroom time: Have teams buy 1 or 2 stocks in their first meeting. Then allow them to watch their stocks, sell, and/or re-invest as a team on their own time.*)

Step 11 LEARN AS YOU GO

Try to focus on at least one lesson a week from the Teacher Resource Center to teach students about investing concepts; i.e., stocks, risk, markets, diversification, etc. When questions arise about topics, like stock splits, dividends, etc., teachers use these "teachable moments" to introduce and explain these terms and concepts. **Be sure to reinforce the fact that investing for the long-term (retirement) would be a different strategy than the short-term SMG.** (*Teachers can learn about these and find lessons in the Teacher Resource Center!*)

Step 12 -FOLLOWUP (OPTIONAL)

Take part in **InvestWrite**, the national essay competition. <http://investwrite.info> This is an individual essay competition for Stock Market Game students only, grades 4-12. Each semester a new scenario is introduced. Students write a 700 word maximum essay. Teachers can submit their 5 best essays from each class to be judged. There are great state and national prizes for elementary, middle and high school levels.

Teacher Resources

Teacher Resource Center - Use your Teacher ID and password to logon to the Teacher Resource Center at www.stockmarketgame.org for a multitude of resources—like tutorials, curriculum for elementary, middle or high school level, printable lessons, assessments, rubrics, and more! Sections include:

- **Understanding SMG** - includes a *Teacher Guide*, *Reading Portfolios Guide*, and *Rules*.
- **Manage Student Portfolios** - allows you to view student portfolios, daily rankings, a troubleshooting guide, and print certificates for all of your students.
- **In the Classroom** - includes grade specific curriculum, lessons, activities, projects, publications, assessments, rubrics, and an alignment of lessons to Virginia standards in economics, language arts, social studies, and math.

Visit VCEE's website at www.vcee.org for more information and resources.

Competition and Prizes

SMG Competition:

Teams are placed in Regions based on the geographic location of the VCEE Centers for Economic Education. Elementary, middle and high school teams compete in the same Region.

There are two weekly rankings: Regional and Coordinator (top 100 teams in the state)
Rankings are based on the value of the portfolio.

SMG Prizes:

Regional: prizes are determined and awarded by the VCEE Centers

State:

Fall and Spring games: top 3 teams in the state ranking list are recognized at the annual SMG Awards luncheon in May.

Year long game: First place team is recognized at the annual SMG Awards luncheon in May.

Stock Market Game Rules (shortened version)

- Each team begins with \$100,000 in cash (*see rule 1 for further explanation*)
- Interest is earned on money not yet invested at an annual rate of 5.00% and posted weekly. (*see rule 1 for further explanation*)
- Teams may borrow additional funds to invest (going on margin). Cost is 7% per annum and is posted weekly. (*see rule 1 for further explanation*)
- All buy orders must be a minimum of 100 shares. (*see rule 4 for further explanation*)
- Trades are limited to stocks above \$5.00/share value. (*see rule 5 for further explanation*)
- A 2% broker's fee is charged for all transactions. (*see rule 7 for further explanation*)
- Trade pricing is real time. (*see rules 3 & 9 for further explanation*)
- Teams do not have to liquidate their portfolios at the end of the game.
- Winners are based on equity of the portfolio.

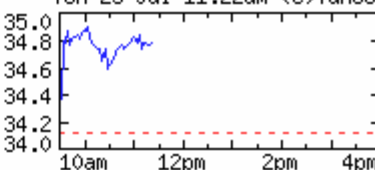
For full version of the Stock Market Game rules: see SMG web site

Stock Data Found on the Internet

Try sites like, <http://moneycentral.msn.com/investor/home.asp>, <http://finance.yahoo.com> or <http://thestreet.com> Students will need to look up ticker symbols for making trades.

YUM BRANDS INC (NYSE:YUM)			Edit
Last Trade:	34.80	Day's Range:	34.29 - 34.92
Trade Time:	11:24AM ET	52wk Range:	22.11 - 34.90
Change:	↑ 0.67 (1.96%)	Volume:	1,060,500
Prev Close:	34.13	Avg Vol (3m):	2,937,850
Open:	34.37	Market Cap:	18.13B
Bid:	N/A	P/E (ttm):	22.19
Ask:	N/A	EPS (ttm):	1.57
1y Target Est:	36.32	Div & Yield:	0.60 (1.70%)

New! Try our new Charts in Beta
 YUM 23-Jul 11:22am (C)Yahoo!



[1d](#) [5d](#) [3m](#) [6m](#) [1y](#) [2y](#) [5y](#) [max](#)

[Annual Report for YUM](#)

***LastTrade** is the time and price of the last trade made for the stock (current price).

***Change** is the change in price for the day. This is the difference between the last trade and the previous day's closing price (Prev Close).

***Prev Close** is the closing price for the trading day prior to the last trade reported.

Open is the first price paid after trading starts, usually when the stock exchange "opens its trading doors", usually in the morning.

Bid price is the price you will get if you sell your stock

Ask price is the price you will pay to buy a stock

***1y Target Est** - This value is an estimated stock value in 1 year provided by analysts following this stock.

***52-Week Range** - high and low prices over the past 365 days

***Volume** is the volume of trading (number of shares)

Avg Vol is the Average Daily Volume which is the monthly average of the cumulative trading volume during the last 3 months divided by 22 days.

Market Cap - way of measuring the size of a company and is calculated by multiplying the current stock price by the number of outstanding shares

***P/E** is Price to Earnings Ratio. This number is the previous closing stock price divided by the earnings per share, and reflects the value the market has placed on a stock. In general, a high P/E, compared to like companies, means high projected earnings in the future.

EPS is Earnings Per Share - stated for the most recent 12 months. EPS is calculated by dividing earnings by the average number of shares of common stock outstanding during the period. Analysts typically look for steadily increasing EPS.

Div is the Dividend Per Share. Annual dividend per share of stock, as reported by the company.

Yield is the annual dividend per share divided by the previous closing stock price, as a percentage (multiplied by 100).

***Students do not necessarily use all of this information in making stock selections, but some of the data can be helpful in making decisions. Fields marked with * are most commonly used.**



National and State Essay Contest

www.InvestWrite.info

InvestWrite is a highly successful extension of The Stock Market Game program designed to help students sharpen critical thinking and writing skills as they compose essays on investment related topics. The program builds a bridge between classroom learning and potential real-world investment decision.

Students are provided a topic and an investment scenario, which requires them to assess, research, and then formulate possible solutions based on their own finds, logic, and ideas.

How much additional time will I need to learn the InvestWrite curriculum? Everything you need to know is on the website. Other than discussing the topics with your students and giving them a little direction, you're done. InvestWrite is designed to enhance The Stock Market Game program without adding planning time to your current curriculum demands. Incorporate into your writing assessment.

Do my students work in teams or individually? Individually. Here's a chance for students to take what they have learned as a member of their team and apply their critical thinking and writing skills individually.

How many essays can I submit? You can submit five teacher-judged entries per qualified classroom and only one essay per student.

How long does it take to submit InvestWrite entries? Just a few minutes, all you have to do is sign in for each submission, fill in a few information boxes (i.e. your contact info, student's name, etc.) and cut and paste or type in the InvestWrite entry into our online submission box.

Is the contest free to enter? Absolutely! The only requirement is that you and your students must be participating in The Stock Market Game.

With whom do my students compete? Students compete statewide and nationally for prizes in their own divisions: 4-5 grade, 6-8 grade, or 9-12 grade. Visit InvestWrite website for national prizes...which range from all-expense paid trips to NYSE, Disneyworld, laptops, and gift cards for teachers, parents and students!

SMG Culminating Activity Ideas

Research/Writing Skills

- A. Use the **InvestWrite** topic for critical thinking and essay writing to research a topic and relate it to a real-life experience. (*InvestWrite provides new topics each semester with scenarios and a question.*) www.investwrite.info
- B. Use the core lesson *How Successful Was My Investment Strategy?* found in the Teacher Support Center
- C. Research a company back to its inception.
- D. Write to a company
- E. Use the newsletters *In the News* and/or *Stock Talk* writing suggestions

Oral/Presentation and Technology Skills

- A. Make oral presentations:
 - Why did my investment strategy not work? What would I do different next time?
 - How to diversify a portfolio (*using industry/sectors and or bonds, mutual funds, etc*)
 - How my investment strategy would be different for long-term investing.
 - Research a company in portfolio and tell why it did/or did not perform well.
 - Explain how the economy has had an affect on your portfolio.
 - How to use an investment website to research stocks
- B. Enhance oral presentations and use technology skills to create a presentation with:
 - Spreadsheet and charting
 - Graphic organizers
 - PowerPoint.

Creative Skills

- A. Write a skit about a broker making stock recommendations to a client.
- B. Create a rap or song about a topic, or the Stock Market Game experience.
- C. Create a video and place on YouTube

Rubrics can be found in the Teacher Resource Center under "Assessments" for all types of skills enhancements and presentations.

SMG Teacher Support Center

(Log in with Teacher Id and password)

Understanding SMG **Manage Student Portfolios** **In the Classroom**

Welcome, Linda Sleeth!
To get the most from your visit to the Teacher Support Center, click the tabs above or the section headings below for detailed descriptions of the features and functions available to you.

To print a frame click on it.
Then for Windows: use ctrl-p, OS9/OSX: use cmd-p

Understanding SMG

New users start here:

- ▶ [Teachers Guide](#)
- ▶ [Understanding Portfolios](#)
- ▶ [Rules of the Game](#)
- ▶ [Promotional Materials](#)
- ▶ [Related Links](#)

Manage Student Portfolios

View & manage team portfolios:

- ▶ [View Rankings & Portfolios](#)
- ▶ [Change Password](#)
- ▶ [Troubleshooting](#)
- ▶ [Help Desk](#)
- ▶ [Participation Certificates](#)

In the Classroom

Lessons, standards correlations, and additional classroom teaching resources. Visit the [Our Philosophy](#) section for an explanation of the SMG program's approach to teaching.

- ▶ **[Lesson Sequence](#)**
Organize your SMG experience with a prepared sequence of lessons.
- ▶ **[Projects](#)**
Enrich your students' SMG experience with a project assignment.
- ▶ **[Standards](#)**
Meet national and state subject standards through the SMG program.
- ▶ **[Lessons & Activities](#)**
Reinforce core skills and teach important investment concepts.
- ▶ **[Assessments](#)**
Measure your students' performance through a pre/post-test or rubric.
- ▶ **[Publications](#)**
Browse through SMG's extensive archive of newsletters and classroom resources.

Program News

Rankings: Week 5 rankings are now available.
Start planning now: InvestWrite deadline is November 30. State and National prizes!