



MATERIALS & PREPARATION

- Reading Stock Quotes Resource sheet** (page 3.13-3.14) one for each student
- Stock Quotes sheet** (page 3.15) one for each student
- My Stock Choices sheet** (page 3.17) one for each student
- FIT Work 3.2 sheet** (page 3.18) one for each student
- Two consecutive days of financial newspapers and/or Internet access for stock quotes**



Slide Presentation 3.2

LESSON 3.2 STOCKS, STOCKS, STOCKS

This lesson teaches students how to read stock market quotes and compare two days of stock quotes. The FIT Work has students looking at the needs of investors and deciding what type of investments would best suit their needs and comfort levels.

LEARNING GOALS

- Students understand how to read a stock quote.
- Students identify and compare the five stock quotes on two consecutive days.
- Students identify and defend the characteristics that determine investor profiles.

JUMP\$TART PERSONAL FINANCIAL EDUCATION NATIONAL STANDARDS ALIGNMENT

- Financial Responsibility and Decision-Making
- Saving and Investing

DO THIS

1. Explain that investors watch how stocks are performing by reading stock quotes in stock tables. These are typically provided through newspaper financial sections and Internet sites. Stock quotes are provided daily Monday through Friday.
2. Hand out **Reading Stock Quotes Resource** sheet (pages 3.13-3.14). Go over the different columns on the stock quote and what each column represents. Have students put the sheet in their PF Portfolio for future use.
3. Group students into teams of 2-3. Hand out the **Stock Quotes** sheet (page 3.15).
4. Have student teams complete the sheet. Answers are on page 3.16. Discuss as a class. Check for understanding.

NOTES:

5. Have newspaper financial pages and/or Internet access available so students can explore real stock quotes. Below is a list of Web sites they could access:

Yahoo! – <http://finance.yahoo.com>

MSN – <http://moneycentral.msn.com>

Google – <http://finance.google.com/finance>

6. Hand out **My Stock Choices** (page 3.17) and have students put it in their PF Portfolio. Explain to students they will need to identify five companies and determine their ticker symbol (unique alphabetic name that identifies the stock). They need to document the “close” amount for today and tomorrow. The “close” is the published trading price of a stock at the end of a trading day.

7. Challenge students to identify stocks that will increase in value the most. Explain to students that My Stock Choices is a competition and the top three students with the most improvement of all five close values wins/is awarded something (i.e., lunch with teacher, hall pass, get out of tardy token, missed homework pass, candy, whatever motivates students).

8. After the second day, have students compare any changes with the five stocks they selected. Determine the top winning students.

9. Discuss the changes and determine factors that could have impacted the changes. For example, a drop in the economy, declining unemployment, natural disaster, layoffs, increasing number of bankruptcies, etc.

10. Optional: Have a representative from an investment institution visit and discuss the stock market.

FIT WORK



Optional: **FIT Work 3.2** sheet (page 3.18). Students explore the different types of investors and what types of investments would be best for their situation. The answer key is on page 3.19

ASSESSMENT



- Observe and listen to discussions for logical thinking and mastery of content.
- Review Stock Quotes for completion and mastery.
- Review My Stock Choices for completion and accurate recording of information.
- Review FIT Work 3.2 sheet for completion and mastery.

NOTES:

PFP



- Reading Stock Quotes Resource (page 3.13-3.14)
- Stock Quotes (page 3.15)
- My Stock Choices (page 3.17)
- FIT Work 3.2 sheet (page 3.18)

Reading Stock Quotes Resource

Most financial papers and Web sites have stock quotes that look similar to the example below. Use this sheet to learn how to read a stock quote table.

Sample stock quote table:

52W High	52W Low	Stock	Ticker	Div	P/E	YTD% Chg	Vol 00s	High	Low	Close	Net chg
\$45.39	\$19.75	ResMed	RMD		52.5	-8.5	3831	42.00	39.51	41.50	-1.90
11.63	3.55	Revlon A	REV			+1.3	162	6.09	5.90	6.09	+0.12
77.25	55.13	RioTinto	RTP	2.3		+5.5	168	72.75	71.84	72.74	+0.03
31.31	16.63	RitchieBr	RBA		20.9	-2.4	15	24.49	24.29	24.49	-0.01
8.44	1.75	RiteAid	RAD			+3.9	31028	4.5	4.20	4.31	+0.21
38.63	18.81	RobtHalf	RHI		26.5	+7.0	6517	27.15	26.50	26.50	+0.14
51.25	27.69	Rockwell	ROK	1.2	14.5	+5.4	6412	47.99	47.00	47.54	+0.24
<i>Col. 1</i>	<i>Col. 2</i>	<i>Col. 3</i>	<i>Col. 4</i>	<i>Col. 5</i>	<i>Col. 6</i>	<i>Col. 7</i>	<i>Col. 8</i>	<i>Col. 9</i>	<i>Col. 10</i>	<i>Col. 11</i>	<i>Col. 12</i>

Columns 1 and 2

52-Week High and Low – The highest and lowest prices the stock traded over the previous 52 weeks (one year) and typically does not include the previous day's trading.

Column 3

Company Name and Type of Stock – The name of the company. If no special symbol or letter follows the name, it is common stock. Different symbols indicate different classes of shares (i.e., "pf" means preferred stock).

Column 4

Ticker Symbol – The unique alphabetic name which identifies the stock. When looking for stock quotes online, you search for a company by the ticker symbol. The following financial sites provide the ticker symbols for companies.

Yahoo! – <http://finance.yahoo.com>

MSN – <http://moneycentral.msn.com>

Google – <http://finance.google.com/finance>

Column 5

Dividend Per Share – The estimate of the anticipated yearly dividend per share in dollars and cents. If this space is blank, the company does not currently pay out dividends.

Column 6

Price/Earnings Ratio – Shows the relationship between a stock's price and the company's earnings for the last four quarters. Calculated by dividing the current price per share by the earnings per share.

Column 7

Year-to-Date Percentage Change – Reports gain or loss in each stock's price as a percentage of its price on January 1.

Reading Stock Quotes Resource

Column 8

Trading Volume – The total number of shares traded for the day (in hundreds). Add two zeros to the end of the number listed to get the actual number traded.

Column 9 & 10

Day High and Low – The price range at which the stock has traded throughout the day. These are the maximum and the minimum prices that people have paid for the stock.

Column 11

Close – The last trading price recorded when the market closed on the day. If the closing price is up or down more than 5% than the previous day, the entire listing for that stock is bold-faced.

Column 12

Net Change – The change in the stock price from the previous day's closing price in dollars. When the net change is positive, it is recorded as being "up for the day."

Quotes on the Internet

The most convenient way to get stock quotes is off the Internet. Most sites are updated frequently and provide you more information, news, charting, and research tools.

Most public Internet sites that provide stock quotes are reporting the price with a 15-minute delay. To get 'real-time' quotes typically requires a subscription to a fee-based service.

STOCK QUOTES

Name _____

Date _____

Name	Close	Chg.	Div.	P/E	YTD% Chg.	52-wk	
						High	Low
AT&T Inc	25.20	+0.04	1.64	12	-11.6	40.70	20.90
AlcatelLuc	1.86	+0.08			-13.5	7.76	1.09
Cisco	16.77	+0.46		13	+2.9	27.72	13.61
Citigroup	2.53	+0.22	.04m		-62.3	27.35	.97
Comcast	13.64	-0.01	.27f	16	-19.2	22.86	11.10
ExxonMob	68.10	-0.53	1.60	8	-14.7	96.12	56.51
GenElec	10.11	+0.18	.40m	6	-37.6	38.52	5.73
Home Dep	23.56	+0.18	.90	18	+2.3	30.74	17.05
Intel	15.03	+0.31	.56	16	+2.5	25.29	12.05
IBM	96.89	+2.37	2.00	11	+15.1	130.93	69.50
JohnJn	52.60	-0.41	1.84	12	-12.1	72.76	46.25
LSI Corp	3.04	-0.01			-7.6	7.87	2.36
Microsft	18.37	+0.89	.52	10	-5.5	32.10	14.87
Oracle	18.07	+0.41	.20	16	+1.9	23.62	13.80
Pfizer	13.62	-0.08	1.28	11	-23.1	21.60	11.62
TimeWrn rs	19.30	+1.07			-13.5	37.47	15.41
VerizonCm	30.20	-0.02	1.84	13	-10.9	39.94	23.07
WalMart	52.10	+0.34	1.09f	15	-7.1	63.85	46.25

Answer the following questions by using the information in the stock quote table.

1. Which stock had the highest close value? What was the value?
2. Which stock had the most dramatic drop in close value from yesterday? How much?
3. Which stock had the highest value in the past 52 weeks? What was it?
4. Which stock had the highest loss this year? What was the percentage change?
5. How much of a dividend payment does Cisco pay out annually?
6. What is a price/earnings ratio? What company has the highest p/e?

STOCK QUOTES

Name _____

Date _____

Name	Close	Chg.	Div.	P/E	YTD%	52-wk	
					Chg.	High	Low
AT&T Inc	25.20	+0.04	1.64	12	-11.6	40.70	20.90
AlcatelLuc	1.86	+0.08			-13.5	7.76	1.09
Cisco	16.77	+0.46		13	+2.9	27.72	13.61
Citigroup	2.53	+0.22	.04m		-62.3	27.35	.97
Comcast	13.64	-0.01	.27f	16	-19.2	22.86	11.10
ExxonMob	68.10	-0.53	1.60	8	-14.7	96.12	56.51
GenElec	10.11	+0.18	.40m	6	-37.6	38.52	5.73
Home Dep	23.56	+0.18	.90	18	+2.3	30.74	17.05
Intel	15.03	+0.31	.56	16	+2.5	25.29	12.05
IBM	96.89	+2.37	2.00	11	+15.1	130.93	69.50
JohnJn	52.60	-0.41	1.84	12	-12.1	72.76	46.25
LSI Corp	3.04	-0.01			-7.6	7.87	2.36
Microsft	18.37	+0.89	.52	10	-5.5	32.10	14.87
Oracle	18.07	+0.41	.20	16	+1.9	23.62	13.80
Pfizer	13.62	-0.08	1.28	11	-23.1	21.60	11.62
TimeWrn rs	19.30	+1.07			-13.5	37.47	15.41
VerizonCm	30.20	-0.02	1.84	13	-10.9	39.94	23.07
WalMart	52.10	+0.34	1.09f	15	-7.1	63.85	46.25

Answer the following questions by using the information in the stock quote table.

- Which stock had the highest close value? What was the value?
IBM, 96.89
- Which stock had the most dramatic drop in close value from yesterday? How much?
ExxonMobil, -0.53
- Which stock had the highest value in the past 52 weeks? What was it?
IBM, 130.93
- Which stock had the highest loss this year? What was the percentage change?
Citigroup, -62.3%
- How much of a dividend payment does Cisco pay out annually?
It does not make dividend payments.
- What is a price/earnings ratio? What company has the highest p/e?
It is the relationship between a stock's price and the company's earnings for the last four quarters. Home Depot had the highest p/e.

MY STOCK CHOICES

Name _____

Date _____

Complete the table with the appropriate information from the stocks you plan to track.

Company Name	Ticker Symbol	Rationale for Choosing

Document and graph the "Close" amount for each stock over a two-day period.

Ticker Symbol	Day 1 Close	Day 2 Close	+/-
Total +/-			

Overall, how did the value of your stocks change over the 24-hour time period?

What factors do you think caused the price to change?

FIT Work 3.2

Name _____

Date _____

All investments have associated risks. It's important to determine the level of risk investors are prepared to accept because this affects investment strategy. Generally, the higher the level of risk an investor is prepared to accept, the higher the potential return from the investment. On the other hand, a higher level of risk also increases the chance of incurring a loss in the short term, including the potential loss of some of the initial investment amount.

Below are five different investor profiles:

- **Very Conservative** – seeks to maintain the original value of the investments and is prepared to accept lower returns for lower risk.
- **Conservative** – seeks relatively stable returns and accepts some risk through a diversified portfolio.
- **Moderate** – seeks higher medium-term returns and accepts the possibility of negative returns over short periods.
- **Aggressive** – seeks high long-term returns and accepts the higher possibility of sustained negative returns over short periods.
- **Very Aggressive** – seeks to maximize long-term returns and accepts the possibility of greater volatility and short-term capital losses.

Assign a profile for the following investors based on the types of investments they have made. Explain why you assigned that profile.

Laura's investments are mainly in bonds, and also in her house.

Brenda's investments are all in stock shares and real estate.

Jennifer's investments are in mutual funds, real estate, and she holds stock shares in her company.

FIT Work 3.2

Name _____

Date _____

All investments have associated risks. It's important to determine the level of risk investors are prepared to accept because this affects investment strategy. Generally, the higher the level of risk an investor is prepared to accept, the higher the potential return from the investment. On the other hand, a higher level of risk also increases the chance of incurring a loss in the short term, including the potential loss of some of the initial investment amount.

Below are five different investor profiles:

- **Very Conservative** – seeks to maintain the original value of the investments and is prepared to accept lower returns for lower risk.
- **Conservative** – seeks relatively stable returns and accepts some risk through a diversified portfolio.
- **Moderate** – seeks higher medium-term returns and accepts the possibility of negative returns over short periods.
- **Aggressive** – seeks high long-term returns and accepts the higher possibility of sustained negative returns over short periods.
- **Very Aggressive** – seeks to maximize long-term returns and accepts the possibility of greater volatility and short-term capital losses.

Assign a profile for the following investors based on the types of investments they have made. Explain why you assigned that profile.

Laura's investments are mainly in bonds, and also in her house.

This is a Very Conservative profile. Bonds are low-risk, low-interest investments and equity on a home does not pay any interest but is considered a good and safe investment.

Brenda's investments are all in stock shares and real estate.

Having all investments in stocks and real estate constitutes a Very Aggressive profile. Stocks and real estate are long-term investments that can have big gains but both of these markets are highly volatile.

Jennifer's investments are in mutual funds, real estate, and she holds stock shares in her company.

This mix of investments point to a Moderate profile. While there is some aggressive investments in real estate and stocks, the portfolio is tempered by the mutual funds.