

Lesson 15
The Stock Market

15.1. Warm-up Questions

1. Do you invest your money in stocks? Why or why not?
2. Is the stock market a safe or risky investment?
3. What do you know about the stock market crash of 1929?

15.2a. Vocabulary

Blue Chip Stocks	Commodities	Dividend	Equity	
Insider	Mutual Fund	Par Value	Penny Stock	Yield
Portfolio	Share	Shareholder	Stock	Capital
Stockbroker	Stockholder	Trading Session	Trader	

15.2b. Match the vocabulary words to the following definitions.

1. Return on an investment shown as a percentage. _____
2. Stocks of leading companies that have a reputation for solid growth and earnings. _____
3. A portion of a company's earnings that is paid to the shareholders/stockholders. _____
4. The nominal face value. _____
5. Shares that sell for less than \$1 a share. _____
6. Those who have inside access to inside information about the company. _____
7. Various types of securities held by an institution or individual. _____
8. A person who owns and shares stocks. _____
9. The period when the Stock Exchange is open for trading. _____
10. A savings fund that uses cash from a pool of savers to buy stocks, bonds, and real estate. _____
11. An investor who holds stocks for a short time with the goal to make a profit from short-term gains in the market. _____
12. Agricultural and natural resources that are traded on a separate exchange. _____
13. A licensed professional who buys and sells stocks for clients in exchange for a fee called a commission. _____
14. The owner of shares. _____
15. Money and property of a company that is used in transacting the business. _____
16. The value of stocks and shares. _____
17. The capital of a company is divided into these. The owner of these is entitled to a portion of the profits. _____
18. Shares held by an investor. _____

15.3. Discussion: *Answer the following questions.*

1. As a class, make a list of Blue Chip Stocks. (Coca Cola is one of them.)
2. Which of these Blue Chip Stocks would you invest in? Why?
3. As a class, make a list of the commodities that are traded. (Corn, coffee, and gold are examples.)
4. Which of these commodities would you invest in? Why?
5. Are there any insider trading cases that you know about?
6. What do you know about the Martha Stewart case?
7. Do you think that Mutual Funds are a safer investment than buying stocks? Why or why not?
8. Which stocks are popular in your country?
9. Which stocks have dropped in value?
10. What factors cause a stock to rise or drop in value?
11. Would you trust a stock tip from a friend? Why or why not?
12. What should you do before you invest in a stock?
13. How much money would you be willing to invest in a stock? What do you base your decisions on?
14. What would you do if a friend gave you inside trading information?
15. When is the best time to invest, when the stock is high or low? Why?

15.4. Activity: *Look at the opposing opinions below. Divide the class in half or into groups. Debate the issues by giving facts to support the opinion.*

1. Keeping your cash in a savings account is safer.
2. Investing your money is safer.

1. Money makes the world go around.
2. Money is the root of all evil.

1. Playing the stock market is too risky.
2. Most people make money on stocks.

1. Investing in stocks is a wise choice.
2. Investing in real estate is a wise choice.

1. Playing the stock market is interesting.
2. Playing the stock market is a waste of time.