

The Stock Market Experience Portfolio

This activity is to be completed as you make your way through the semester-long Stock Market Experience investment simulation. Each member of the team is responsible for completing their own portfolio.

The portfolio is in four parts. All parts must be completed by two days after the end of the game and in your team's binder in order to be given an individual grade. (There is no team score, you only work as a part of a team.)

Part One

Explain your overall team's investment plan (25% of the grade). Please label this section "Part One". This is our English Extension Activity

In this section you will explain your group's investment plan. Before you write, complete the following discussion with your teammates:

1. Are we focusing on one sector (type of company such as: Energy, retail, banking, oil)?
2. Are we diversifying our purchases? (stock in more than one sector)
3. Are we buying "expensive" or "cheap" stock?
4. What trends are we following? (fads, what's *hot*?)
5. How are current politics affecting our purchases?
6. Are we using timing to purchase stocks? (Earnings reports, positive news, morning gainers)
7. What events are happening in the world that might affect how we are looking at stock? (war, imports/exports, state of the economy in other countries, the stock markets of other countries)
8. What personal knowledge are we using to buy stock? (our own familiarity with the company we are buying)
9. What outside advice are we using to buy stock? (Family, friends, internet)

After your discussion, complete a well-organized composition that addresses all of the above.

Your topic sentence WILL read like this....

"With a goal to make as much money as possible over a ten week period, it is reasonable to use the following strategies."

Use your writing rubric to make sure you are completing all parts of the writing expectations. Be sure to have your written response proof-read by someone on your stock team.

Make this easier on yourself—no one wants to write an eleven paragraph essay. Look for common topics/themes in the questions above, combine them, and build paragraphs from these.

Part Two

Working with your team's specific stock/ETF/Mutual fund picks (25%). Label as "Part Two". This is an English Extension Activity.

After your team has purchased a minimum of one stock per person on the team, divide the stock out so that each person is responsible for that stock. Your team *should* have at least eight to ten various stock (companies), ETFs, mutual funds, etc. in your portfolio. Make sure the stock is evenly distributed among team members.

You will complete a one-page report for *each* company you are responsible for monitoring.

Your report will include the following information:

1. Company reports: What does this business do? How long have they been around? Where do they operate? (Are they just in Colorado, in the United States, in Europe, all over the world?) How profitable have they been?
2. What did you use to help decide on this stock? (Analyst opinions? Newspaper articles? TV? Magazines? Parents?)
3. A detailed explanation of why you chose this stock. Provide clear, strong evidence to support your opinion.
4. Explain how much money you invested (how many shares of the stock you purchased) and why.

Part Three

Charting your stock (25%). Label this section "Part Three". This is a Math Extension Activity.

You will need to track the stock you have been assigned by your team. If you have two or more stock, you will need more than one graph (one graph for each stock).

Graph the daily closes of each stock. Use time on the horizontal axis, and price on the vertical axis. You can use the "historical prices" tab on Yahoo Finance for your stock to find the closing prices from the time you purchased the stock.

Make sure you show the *exact* purchase date and the day you sold the stock on your graph. (If you sell a stock before the end of the game, you will need to reinvest in another stock so that you can continue working on your portfolio assignments).

Part Four

Summary (25%). Label this section "Part Four". Math and English Extension Activity.

Answer the following questions in a short, constructed response.

1. What was the original purchase price and the final price of the stock at the end of the game? (If you sold the stock before the end of the game, what is the price at the end of the game, not when you sold it).
2. How much did you invest in the company? (How many shares? How much money did you spend?)
3. How much was each stock worth at the end of the game? You will need to complete a ROI for your stock.... The formula is as follows:

$$\frac{R - I}{I} \times 100$$

Where R = Return (price you sold the stock at)

I = Investment (price you bought the stock at)

4. What was your final ranking for a) grade level, b) district, and c) state?
5. Last, and MOST IMPORTANT.... What did you learn from this activity? What investment lessons did you learn? Be creative with your response. Be honest with yourself, too!