



## Stock Market Game Teacher Guide

This Teachers Guide is designed to answer the typical questions of teachers who are using The Stock Market Game (SMG) program for the first time and "...don't know where or how to begin".

We will guide you through the steps of preparing your students, as they begin their research and building their portfolios. This guide also includes tips from teachers all across the U.S. with strategies they've found most successful in integrating the simulation into the classroom.

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## 1. Ready, Set, Go!

By registering your class for The Stock Market Game (SMG), you will make learning seem like a "game" to your students. SMG is a comprehensive, engaging, real-world program that advances student academic achievement in the core disciplines while providing an understanding of investment concepts among learners in grades 4-12.

Are you a math teacher? If so, students will see real-world applications as they learn to use ratios, decimals, estimating skills, fractions, money, basic computation, percentages, graphs, and charts.

Are you a social studies or economics teacher? SMG will reinforce your introduction of financial markets and institutions, supply and demand, profit and loss, opportunity cost, history, current events and more!

Business and life-skills teachers use SMG to teach students about business organizations, capital formation, marketing, finance, budgeting, personal finance, consumerism, and the securities industry.

Co-teach with a language arts teacher and reinforce, vocabulary and writing skills (persuasive, reflective, analysis, journaling) or with a technology teacher as students learn to use the Internet for research, data entry, and keyboarding skills.

Working in teams, your students will develop valuable processing skills, such as time management, decision-making, consensus building, and cooperation.

Teachers who have used the SMG program for years tell us students can't wait to sign up for their classes. Students are enthusiastic about SMG because it connects classroom lessons to real life decisions.

Since its inception over 25 years ago, the SMG program has served over nine million students nationwide. We think you will find it to be a program you will want to use year after year! So, let's get started!

[Go to 2. Organizing Your Class](#)

## 2. Organizing Your Class

As you prepare your class for The Stock Market Game, you should determine the number of teams you will need. We recommend students be organized into teams of three to five members. By arranging your class in teams, you provide your students the opportunity to practice life skills.

Organizing your students into teams also makes it easier for them to work at one computer when necessary. It also keeps the team a manageable cooperative group for decision-making. *(You may want to check with your SMG coordinator to see if there is a requirement for number of students on a team.)*

As you organize your teams, you may let students select their own team members or you may assign students to teams. Some teachers group students balancing individual strengths and weaknesses. Read about [Using SMG With Cooperative Teams](#).



## Using Cooperative Learning Teams in the Stock Market Game

Research has shown that using cooperative learning teams in the classroom is beneficial to students because it:

- 1) promotes higher achievement
- 2) improves critical thinking competencies
- 3) fosters more positive attributes
- 4) develops important social and collaborative skills for students.

Putting students in groups doesn't guarantee they'll work together effectively. Cooperative groups should be structured to promote positive student interdependence among group members and individual accountability for each student.

### Creating Positive Interdependence

To create positive interdependence - give each group member a specific role and responsibility. (See "Investment Committee" in the next section.) It is important for each member to know he/she is not only responsible for his/her role in the group, but also for any other actions the group takes. Each group member has the responsibility to learn the assigned material, as well as help others in the group learn it too.

The Investment Committee assignments are only suggestions for team member responsibilities. Some of these roles can be combined or performed by all team members. It is also recommended that students rotate roles throughout the game. Team members can complement each other with skills and aptitudes. Put a good math student with one who might assist and use computation skills in the process. A slower reader may be able to find details in the financial pages of the newspaper. Allow a quiet student an opportunity to be in a responsible position with the team. Mix personality types so that in the course of the simulation interpersonal skills can be applied as students decide, persuade, and explain their strategies of stock selection and investment moves.

### Team Assignments

Many teachers have found that assigning roles to specific team members insures that all students are involved in the learning process, and that the team struggles less when it comes to decision-making. See [Investment Committees](#) for suggested role assignments.

## Investment Committees

*Suggested Team Assignments*



These are suggested team responsibilities for a cooperative learning effort. Any combination of responsibilities is possible, including rotating responsibilities and teaming students to take on several roles as a group, i.e., research could be done by all team members.

**Captain/Director** - Coordinates the efforts of entire team including team activities, maintaining password and checking Ranking Report for team.

**Basic Economic Research Coordinator** - Coordinates team research efforts of basic or fundamental economic data about the overall economy or relevant current events which could affect companies whose stock the team owns or is thinking of buying. Using Web Links feature, internet sites, newspapers, etc., researches current market activity, economic indicators, news about the industry, etc.

**Technical Economic Research Coordinator** - Coordinates team research of market data for companies whose stock is owned by the team or is being considered for purchase or sell. Using Investor Research feature and other research web sites, finds stock ticker symbols and checks stock data (highs, lows, and closing prices).

**Record Keeper** - Keeps a record of all transactions made by the team and uses this information to verify portfolio data. Reviews the Transaction History, Account Summary, Account Holdings, and Gains & Losses reports for accuracy.

**Transaction Reporter** - Enters transactions into portfolio and checks Pending Transactions and Transaction Notes files for error messages.

**Charter** - Charts on graph paper (or in Excel) the daily (or weekly) ups and downs of each stock the team owns.

## **Team Building Skills**

Team skills, like consensus building and time management, are vital to students for their roles in the future workplace. Using the SMG program is an excellent way to develop these skills.

Team building skills don't come naturally and students will need guidance in developing them. Share the [Team Building Skills](#) document with your students at their first team meeting to guide them in team building.

## Team Building Skills Activity

### Learning Cooperatively

Your success in the Stock Market Game simulation depends in part on your successful participation in a cooperative team. You will be making decisions as a team as you build your team portfolio. To be successful, you should apply these important ideas used in face-to-face cooperative learning:

- Be responsible for your own learning.
- Share your knowledge freely.
- Learn what you can from others.
- Foster interdependence by asking for and giving help.
- Express your ideas openly.
- Listen carefully to feedback.
- Be a good critical friend.
- Share responsibility for decision-making.

### Consensus Building

Consensus building is a simple concept--to produce a team agreement.

You will be using consensus building when you decide as a team how to build your portfolio. Will you buy and sell every time you meet? Will you set a limit on the number of stocks you will hold in your portfolio? Will you invest your \$100,000 all in the first few meetings? Will you buy on margin? Will you short sell? How will you select stocks? How will you decide when it is time to sell?

### Key Elements of Consensus Building

Consensus building is a continuous process and your team will be involved in these steps at various stages and times in your decision-making.



**1. Listen.** Be sure that each team member has a full understanding of what other team members are saying.

**2. Contribute.** Share all relevant information even if it conflicts with personal interests.

**3. Inclusion.** Ensure that everyone is included in the decision-making process.

**4. Evaluate.** Determine what points team members agree on and what points they disagree on. Spend time evaluating the differences.

**5. Time.** Don't waste time discussing those points that team members already agree on.

**6. View.** Conflict about ideas, solutions, rationales, and predictions should be viewed as helping, rather than hindering consensus. These conflicts help ensure that all sides of an issue are explored to the satisfaction of all team members.

**7. Look.** Observation of both verbal and non-verbal signs from team members will help determine when consensus has occurred. In many cases a formal vote on an issue is not necessary.

**8. Compromise.** When used in consensus building, it doesn't mean that a team member will give up a position in exchange for support on another point. It does mean that the opinions of all team members are equally important, that each member will discuss an issue with an open mind, and is willing to fully support a decision made by the team.

So, remember these 8 key points and you are off to successful team building! And hopefully, to successful portfolio building! Good Luck!

*Try this consensus building exercise!*

### Choosing a Team Name

- Brainstorm - Have everyone list several ideas with reasoning but no evaluative comments. Get into the habit of requiring everyone on your team to participate. Let your style show with the names you suggest!
- Evaluate - Have each person choose their first two choices for names and see if you have overlap. Reduce the list to four names or less.
- Discuss - Don't vote! Ask each person to give a pro and con for each of the top four names. Based on this analysis, choose your top two names. Do pros and cons on the top two names with each person making a proposal for the top name and others chime in with support.
- Decide - If necessary, take a vote at this point to select the team name. Voting is only used when a team can't make it to consensus.

**Congratulations!** You've just engaged in consensus building.

Finally, you may want to evaluate students on their team skills. Use this [Team Consensus Building Evaluation Chart](#) as you observe students, or ask team members to evaluate each other.

**Your Name:** \_\_\_\_\_

**TEAM CONSENSUS BUILDING EVALUATION CHART**

Team Name: \_\_\_\_\_

Rate each member of your team based on the following Likert scale:

Excellent = 5	Good = 4	Fair = 3	Poor = 2	No Contribution = 1
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Name of member: \_\_\_\_\_

	5	4	3	2	1
Arrived on time					
Was prepared to contribute to the team					
Contributed ideas					
Asked others for ideas					
Asked for clarification when needed					
Encouraged others to participate in the team					
Used facilitative (helping, listening, encouraging, sharing, providing directions) behavior during cooperative work					
Stayed on task					
Helped others stay on task					
Used language that everyone could understand					
Did their share of the work					
Helped the team reach a consensus					

Comments:

## **Access to Computers**

The SMG program is effective regardless of whether you have only one or two computers in a room, or have weekly access to a computer lab. If you only have one computer in your class, you will need to rotate teams giving each time to look at their portfolio, enter transactions, and/or research stocks and mutual funds. If students have access to computers at home (or after school), ask them to research stocks and funds as homework. If time and access is still insufficient, assign one student (or parent) to enter team transactions and print out team portfolio reports.

If you have regular access to a computer lab, please encourage your students to utilize other forms of research like the business section of the newspaper, magazines, and other printed materials.

[Go to 3. How Much Time Will This Take?](#)

### 3. How Much Time Will This Take?



The amount of time you spend on The Stock Market Game (SMG) program is up to you!

It may take a few class periods before students can begin trading to get them prepared (i.e., learning the rules, understanding the portfolio pages, learning how to research securities, and how to enter and track trades, etc.). For the most part, it is up to you to determine how much time your students spend with the SMG program.

Most teachers find that students usually manage the technical aspects of the SMG program pretty easily and can work on their own after they've made their first trades.

Many teachers use one or two class periods a week to introduce students to new concepts such as: markets, stocks, supply and demand, IPOs, mutual funds, etc. Typically, teams will meet once or twice a week to evaluate their portfolio and to make new transactions. It is not necessary for students to enter trades at every meeting, but they have that option. The team meetings are opportune times for students to review stock holdings and to discuss whether to buy, sell, or hold. Many students often do their company, stock, or fund research and reading of current economic events before or after class, or these activities are integrated into class lessons.

Enlist some help!! This is an excellent opportunity for you to get parents and professionals involved. You may want to invite an investment professional from a local brokerage or bank (or a parent who has an interest in the stock market) to work with students and/or to make class presentations on topics for you.

[Go to 4. Stock Market Game Rules](#)

#### 4. Stock Market Game Rules

To avoid possible complications later on, you and your teams should be familiar with The Stock Market Game's **Rules of Participation**. It is the responsibility of all SMG Advisors and their teams to know the national SMG rules and the rules of their local SMG program.

You can view national and local Stock Market Game rules by clicking **Rules of the Game** in the **Understanding SMG** section of your Teacher Support Center. Your students can view the rules from the Welcome page of their team portfolios.

Use the [Do you know the Stock Market Game Rules?](#) quiz to evaluate students' understanding of the rules.

## Do You Know the Stock Market Game Rules?

1. Each team begins with \$\_\_\_\_\_ to invest.
2. The Stock Market Game pays dividends. True or False
3. Transactions entered with a limit price will not be held past the initial posting. This applies to both the End of Day or Real Time Games.\* True or False
4. Trades entered on a Friday at 6:30pm will receive the closing price for Monday (for End of Day Game). True or False
5. Mutual funds have ticker symbols like stocks, but they are 5 letters long and end in an X. True or False
6. All buy orders must be a minimum of 50 shares. True or False
7. A broker's fee of \_\_\_\_\_% is charged for all buy and sell orders.
8. For a team "going on margin" (borrowing on the equity in your account), a \_\_\_\_\_% fee is charged for money borrowed.
9. SMG does not permit buying stocks that trade below \$\_\_\_\_\_ per share.
10. Cash balances (money not yet spent) will be credited at an annual rate of \_\_\_\_\_%.
11. Teams can only enter trades between 9:00AM and 4:00PM Eastern Standard Time. True or False
12. A team will not be listed in regional rankings until their first transaction is entered successfully. True or False
13. If a team sells 200 shares of their Intel stock at \$32 per share, they will be charged a broker's fee of \$\_\_\_\_\_ for the transaction.
14. Teams must liquidate their portfolios at the end of the Game (liquidate means selling their stock to convert it back into cash). True or False
15. Teams can only trade common and preferred stock on the New York Stock Exchange, Nasdaq Stock Market, and the American Stock Exchange. True or False.
16. Interest earned (and/or owed) is posted to the portfolio daily. True or False.

*\* End of Day Game means teams will receive stock price at close of market day. Real-time Game means teams will receive stock price in real-time (current). Team portfolios will show which category they are participating in on their homepage in the Team Information box.*

Answers:

1. \$100,000
2. True
3. True
4. True
5. True
6. False (100 minimum)
7. 2%
8. 7%
9. \$5.00/share
10. 5%
11. False (they can make trades 24 hours a day)
12. True
13. \$128.00
14. False
15. False, they can also trade mutual funds.
16. False, (it is posted weekly-usually on Tuesday morning).

[Go to 5. Reading Stock Data](#)

## 5. Reading Stock Data

Not quite sure of yourself when it comes to reading stock data or investing in general? Don't worry, The Stock Market Game provides you with the tools and materials you will need to build a better understanding of investing and the stock market – *and how to pass these skills on to your students!*

Below are two handouts that teach you and your students how to read stock quotes:

1. [Reading The Newspaper Stock Data](#)
2. [Interpreting Stock Data From The Internet](#)

## Reading Newspaper Stock Data

1	2		3	4	5	6	7	8	9
YTD % CHG	52-Week HI   LO		Stock (SYM)	DIV	Yld %	PE	VOL 100s	CLOSE	NET CHG
11	59.85	45	Invest Mints s (YUMI)	1.1	2.0	37	15863	55.50	-0.88

Column 1 – This column presents the percentage change in the stock’s price so far this calendar year.

Column 2 – These two columns show the highest and lowest price of the stock during the last 52 weeks.

Column 3 – This column shows the name of the company (usually abbreviated).

Column 4 – This column shows the latest annual dividend payment paid to stockholders by the company.

Column 5 – This column presents the yield of the company. The yield is the latest annual dividend divided by the stock’s latest closing price.

Column 6 – The PE in this column stands for price/earnings ratio, which is a company’s closing price divided by its annual earnings per share.

Column 7 – This column presents the stock’s volume (or sales) for the day, which is the total number of shares traded. Here, the number is given in hundreds so you must add two zeroes to the end of the number.

Column 8 – This column presents the closing price (or last price) of the stock on this particular day.

Column 9 – This column shows the net change in the stock’s price from the previous day’s closing price, which is calculated by subtracting the closing price of the previous day from today’s closing price.

*From **Beyond the Market**.*

*For more information on reading stock data, see Lesson 2, Notes on Quotes from the **Beyond the Market** curriculum in the Lessons and Activities section of the Teacher*

*Support Center.* In addition to these documents, please visit **Investor Background** in the **In the Classroom** section of your Teacher Support Center for an explanation of the history of the stock market, its mechanics, securities, and a financial dictionary. Each lesson in **Lessons & Activities** (also in the **In the Classroom** section) contains a teacher background explaining the investment concept being taught in the lesson. You are also encouraged to visit **Path to Investing**, an acclaimed educational Web site that offers unbiased and practical information to help investors at all skill levels build the knowledge they need to make sound investment decisions. Visit **Path to Investing** by clicking on its banner on the Welcome page of your Teacher Support Center. Students may access **Path to Investing** via its link on the Welcome page of their team portfolios.

## Interpreting Stock Data on the Internet

**Opening Price** is the first price paid after trading starts, usually when the stock exchange "opens its trading doors" in the morning. Sometimes, opening price is higher or lower than the closing price of the previous day (orders are placed overnight and can affect the demand and thus, the opening price).

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

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

**Spread** is the difference between the bid price and the ask price.

**Last Trade** is the time and price of the last trade made for the stock. (The date is reported if the stock hasn't traded that day.)

**Net Change** is the price difference from the current price to the last trade 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). The change is reported as "0" if the stock hasn't traded that day.

**Bid Size/Ask Size** represents the number of shares a buyer is willing to purchase for the bid or ask price.

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

**Vol** 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.

**Div Date** is the Dividend Pay Date, which is the date on which the dividend was last paid, or the date on which the next one will be paid.

**Div/Shr** is the Dividend Per Share--the 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).

**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.

**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.

### STOCK DATA RECORD

Record the data for your stock on this worksheet. (Add any other data you may find.)

Stock Name\_\_\_\_\_

Ticker Symbol\_\_\_\_\_

Opening Price		Vol	
Bid		Avg Vol	
Ask		Div Date	
Bid Size/Ask Size		Div/Shr	
Spread		Yield	
Last Trade		EPS	
Net Change		PE	
Change			
Prev Close			

*Print out from the web site any other information you were able to collect, e.g., key people, products/services, financials, industry ranking, etc.*

## 6. Where Do I Begin My Research?

Once you have introduced the SMG program to your students, they will be eager to enter their first stock transactions. There are many different strategies to help students begin to build their portfolios. Investment guru, Peter Lynch, tells a middle school class to "Buy what you know," in his *Stock Market Adventure* video. This video is available from your Stock Market Game coordinator.

### Start Your Research With A Company

Some teachers prefer their students to begin their research by looking into a specific company. To get students started thinking about what they already know, you might try these activities:

1. In Peter Lynch's *Stock Market Adventure* video, the students take a trip to their local mall and find out what the "hot" sellers are. The students visit a variety of stores and see a variety of products. Ask your students to name stores they are familiar with and the products and services the stores provide. List the names of companies that sell these products.
2. Ask your students to bring in a product or the product's label. In class, you will explore where the product was bought, who makes the product, and possibly other products the company produces.
3. Check magazine ads where you will find the parent company in the fine print.
4. Read the following short story about [Jim's Birthday Present](#). Ask your students to start a list of companies based on this activity.

## Jim's Birthday Present

*This activity can be used to help students begin thinking about what they might want to invest in for The Stock Market Game. Read this story to your students emphasizing the underlined words. Ask students to write down as many names of companies as they can think of that produce the type of product indicated; e.g., tennis shoes (Nike, Adidas, Reebok, etc.).*

Jim hurries out of P.E. class and throws his tennis shoes in his locker and picks up his new jacket. Moving quickly down the hall and out the front of school, he sees Mom's car parked in the second row. It is an exciting day for Jim because his birthday is this weekend and plans are underway for a pizza party for his basketball team friends. They want to rent some videos and drink soft drinks in the basement with no little sisters and no interruptions from parents with party games.

His grandmother is flying in and staying at the local hotel , but she's planning on taking Jim shopping for his birthday gift to choose something he really wants. He's hoping Mom has told Granny that his sunglasses are broken.

Mom tells Jim that she has to stop at the grocery store to pick up some things for supper on the way home. As Jim slides in the car, Mom tosses him a candy bar to snack on until they get home. Jim accidentally sits on his little sister's favorite toy that was left on the back seat from the trip to the discount store last night.

"Mom, have you talked to Dad about my portable CD Player ? ", Jim sputters between bites of the candy bar.

"Jim, I told you we would look at the advertisements in Sunday's paper and see what is available at stores in the mall ," Mom impatiently replied. "You know CD players cost a lot of money," she said.

"I know, but everybody has one but me," Jim explained, hoping to sound pathetic. "We'll see," Mom muttered under her breath. "Oh, by the way, this came for you today," Mom flipped Jim an envelope. "It's from Aunt Susan." Jim ripped open the envelope, expecting money to fall out, then read the note from Aunt Susan. "Big deal, I don't get it. What's shares of stock? She says I'm a shareholder in a corporation. What's that got to do with me? I don't know what a corporation is."

*Let students share the names of some of the companies they wrote down. Discuss whether these are brand names or actual corporations. Can you buy 100 shares of Snickers? No, but you can buy 100 shares of Mars Corporation. Note: Most all products have the corporation name/address on the wrapper box.*

*Initiate the following discussions: What is a stock? What is a corporation? Why do companies have stockholders? Why do people invest in the stock market?*

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As your students research companies, they will come across companies that are not listed on the three major stock exchanges (the American Stock Exchange, the NASDAQ Stock Market, and the New York Stock Exchange). This may be because the companies are privately-owned or foreign-owned and not listed on the exchange, or that the producing company is not the parent company but a subsidiary company; or the product may be a brand name.

For example, students may want to buy "Taco Bell" but can't find its ticker symbol (the one to five character set stock exchanges use to identify companies). This is because Taco Bell's parent company is YUM! Brands, Inc. To purchase Taco Bell stock, they would need to find the ticker symbol for YUM! Brands, Inc. which just so happens to be YUM. YUM! Brands is also the parent company for KFC, Pizza Hut, A&W, and Long John Silvers.

### **Tips for Finding Parent Companies**

The product itself will always include in small print the name of the parent company.

Magazine ads often carry (in small print) the name of the company that produces the product.

Typing in the name of the product into an Internet search engine like Yahoo! or Google will often list related Web sites including the parent company's Web site. Company and financial reporting sites like [www.hoovers.com](http://www.hoovers.com) may also include information about a product's parent company. Selecting ticker lookup at the homepages of any of the exchanges might also yield parent company information. The product's web site usually provides investor information about its parent company.

### **Start Your Research With an Industry**

Some teachers prefer to have their students begin their research by looking into different industries. An industry is a category used to organize companies into types of services and/or products provided. Try these activities for introducing your students to industry research:

1. Have students choose several industries (restaurants, banking, oil, telecommunications, etc.) to analyze. Based on students' familiarity with companies in the industries and their perceptions of the industry's outlook: Is the industry profitable? Will it continue to be? What factors will affect the industry's prospects?

This is also an excellent way to teach students about diversification within a portfolio.

2. Check out a financial web site that lists industries and news about companies in each industry. Select the link "Industries" or "Industry Research." (E.g., <http://www.hoovers.com>, <http://finance.yahoo.com>)

Use the following worksheet for researching companies within various industries:  
[Sector/Industry Research Worksheet](#).

## Sector/Industry Research Worksheet

Name \_\_\_\_\_

By grouping stocks into sectors and industries, it is easier for investors to evaluate stocks within the same industry and assess the economic strength or weakness of that industry. Go to a stock research web site and find one stock in an industry under each sector listed below. Provide the stock name, ticker symbol, current stock price, and products/services of that company.

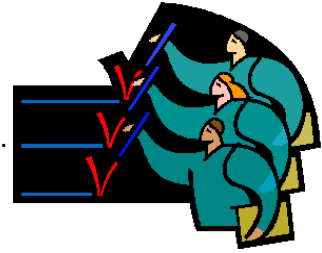
<u>SECTOR</u>	<u>COMPANY NAME</u>	<u>TICKER</u>	<u>PRICE</u>	<u>PRODUCTS/SERVICES</u>
<b>Basic Materials</b>				
<b>Consumer, Cyclical</b>				
<b>Consumer, Noncyclical</b>				
<b>Energy</b>				
<b>Financial</b>				
<b>Healthcare</b>				
<b>Industrial</b>				
<b>Technology</b>				
<b>Telecommunications</b>				
<b>Utilities</b>				

Please also visit **Lessons & Activities** in the In the Classroom section of your Teacher Support Center for lessons on companies and industries.

[Go to 7. Team Folders - Evidence of Learning](#)

## 7. Team Folders - Evidence of Learning

As your students begin researching companies, building their portfolios, and managing their investments, you have a great opportunity to collect the writing, charting, and other activities associated with The Stock Market Game. It is recommended that all teams keep minutes of their meetings and team members keep a journal of their Stock Market Game experience. Both minutes and journal entries provide evidence of student learning.



Below are some suggestions for assembling a Team Folder from experienced SMG teachers:

- 1) **Create a brief company profile** for each stock your team owns during the game. Include a summary of the company's products, where it operates, strengths and weaknesses - especially in comparison to competitors - and copies of the most recent annual income statement and balance sheet (obtained from the company's annual report or other source).

Mutual Fund research for each mutual fund investment, including information about the fund management, types of securities it emphasizes, past and projected returns, etc.

- 2) **Basic data** about stocks in portfolio including: 52 week high and low; PE ratio; volume of trading; Beta; etc.
- 3) **Research of industry and economic data** - Write a paragraph explaining why and how this might affect your stock holdings.
- 4) **Clippings about stock or mutual funds in your portfolio** - These can be newspaper clippings, Internet news articles, magazine ads or articles, etc.
- 5) **Current price** of each stock or mutual fund the team owns at the close of the market each day or week. Put information in an Excel spreadsheet and create charts for each stock or mutual fund.
- 6) **Detailed record of any buy or sell transactions** including: stock or fund name and ticker symbol, date of transaction, number of shares, price per share, total costs, broker's fees, and current equity. (Justify calculations in portfolio.)
- 7) **Create your own math problems** using information in the portfolio.
- 8) **Compare data** by charting your team holdings with the S&P or Dow Jones averages.

9) **Create a glossary** of terms learned throughout the SMG program.

10) **Track state and/or regional rankings.**

11) Use SMG program activities as **writing prompts** for portfolios or journaling.

- a) Using **persuasive writing skills**, students can cite their research and "persuade" team to buy or sell certain stocks or mutual funds.
- b) Using **reflective writing skills**, students can reflect on why a stock or fund did or didn't do well, why they disagree with a team's decision, why and how the economy is affecting their stock or particular industry, etc.
  - i) Describe a current event and the economic environment that could affect investment decisions.
  - ii) Write an essay explaining an investment strategy and why it was successful or was not successful.
  - iii) Write a position paper on a decision made within a company that affected the stock.

[Go to 8. Teaching Strategies](#)

## 8. Teaching Strategies

The following are tips from teachers who have successfully used The Stock Market Game in their classrooms.

- 1) **Investment Magazines** - Have students use them for research and to learn about investing. Contact local brokers or bankers to get their past issues of investment magazines and newspapers. (*E.g., Money, Forbes, Fortune, Value Line, Barrons, Wall Street Journal, etc.*)
- 2) **Local Brokers** - Contact local brokers or bankers to make presentations to your students or to help students in the classroom. (*They may also be willing to help with fees!*) If the broker or banker cannot come to the classroom, arrange for them to answer prepared questions from students at a set time by speakerphone (if you have access to one in the class or school building).
- 3) **Teams of Mutual Fund Managers** - Make each team a Mutual Fund Manager. Have each team develop their portfolio by selecting a variety of stocks from different industries to form their own mutual fund. This is an excellent way to teach students about mutual funds and about diversification within a portfolio.
- 4) **PowerPoint Presentation** - As a culminating activity, have each team develop a PowerPoint presentation to present their portfolio to an audience of parents, investment professionals, other classes, etc. Evaluate teams on their research, technology, and presentation skills. (See Team Folders for suggested material for presentation.)
- 5) **"Take Stock in Your Own State"** - Have students only select stocks from their own state - or "stocks of regional interest" - for their portfolio. You can find these stocks (and ticker symbols) in a local newspaper or through a broker. This is an excellent way to teach students about their state's geography, businesses, economics and investments. Have students present their portfolios to CEOs or business leaders in the state. (See PowerPoint presentations.)
- 6) **Opening Bell** - Begin and end each period with the ringing of a bell (just like the real stock market), to indicate the beginning and ending of trading time for students.
- 7) **Web sites for Research** - Provide each team with a web site that offers stock data research (many search engines do). Have each team find out all the information they can from the web site, then make a presentation to other class members. This can give students an idea of all the research material available and how/where to find it.

- 8) **Client Portfolio** - Have each team develop a portfolio for a "client," in the same way that a broker would. Make up fictitious client profiles - based on different investing styles. This is an excellent way to teach students about diversification and the role of brokers and financial planners.
- 9) **Stock Market Skit** - Have students write their own skit to role play a stock trade with a broker, or a broker trying to convince a potential buyer that a particular stock would be profitable.
- 10) **SMG Bingo!** - Create a bingo game with stock terms. Read definitions of the terms for students to create a "Bingo!"
- 11) **Bulletin Board** - Keep a classroom bulletin board with headlines and articles of economic, industry, or stock market news that can affect student team portfolios (either positively or negatively).
- 12) **SMG Scavenger Hunt** - Create a scavenger hunt to help familiarize students with stock market terminology, stock data in the newspaper, and local, state, and worldwide events that affect the stock market.
- 13) **Stock Newscast** - If your school has a daily or weekly news cast, have students make weekly stock reports with the Dow Jones data, market news, top ranked teams, etc.

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## 9. Stock Market Game Competitions

The Wisconsin SMG program offer a “percent return” competition instead of a portfolio equity competition. In the percent return competition, team portfolios are ranked based on their percentage growth as compared to the Standard & Poor’s (S&P) 500 Index. The S&P 500 consists of 500 large companies that represent the major sectors of the US economy.

You may track the progress of your teams by clicking **View Rankings & Portfolios** in the **Manage Student Portfolios** section of your Teacher Support Center. Your students may check their team’s progress by clicking the **Rankings** icon at the bottom of their portfolio Welcome page.

In addition to the portfolio equity and percent return competitions, you may register your students for **InvestWrite**, our national writing competition developed by teachers to encourage the application of the knowledge students have gained from their SMG experience. **InvestWrite** is open to all SMG Advisors with active team IDs. For more information about **InvestWrite**, click its banner on your Teacher Support Center Welcome page or visit [www.investwrite.info](http://www.investwrite.info).