

Name:

### Students will be able to:

- Explain what stocks are and how they can make money from investing in them
- Identify ways to minimize risk when investing in stocks
- Read a stock quote and evaluate a stock's performance over time
- Understand what a stock split is and how it impacts investors who own that stock

**NOTE:** Vocabulary for this unit can be found in the [NGPF Personal Finance Dictionary](#)

## INTRO

### **QUESTION OF THE DAY:** If you invested \$1,000 in Netflix stock ten years ago, what would it be worth now?

Answer the question on the first slide in the space below. Then, compare your answer to the answer on the second slide. Finally, follow your teacher's directions on how to answer the follow-up questions on the last slide.

- 1. If you invested \$1,000 in Netflix stock ten years ago, what would it be worth now?**

## LEARN IT

### **VIDEO:** [Investing Basics: Stocks](#)

If you want to grow your wealth, investing in stocks is a great option. Watch this video to learn more about what stocks are, how they work, and what you can do to minimize your risk when investing in stocks. Then, answer the questions.

- 1. Company A is raising \$1 million at its initial public offering (IPO) by issuing 2,000 shares of stock. What is the value of each share?**

2. Julia buys a share of stock through her brokerage firm. What are the two ways that Julia could make money from owning this stock?
3. Julia knows that investing in just one company is risky since there's a chance that the stock's value could decrease. What are some ways she can minimize her risk?

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**ARTICLE:** [How to Read a Stock Quote](#)

**REFERENCE:** [Stock Performance - Nike](#)

To understand if a particular stock is a good investment option for you, you'll need to know how to read a stock quote so you can evaluate its performance. Read through this article to learn how to read a stock quote. Then, review the stock quote and answer the questions.

1. According to the article, why is it more useful to look at the percent change of a stock price, rather than the change in dollar amount?
2. Look at the stock performance for Nike. Describe the trend in Nike stock prices over the last year. What about the last 5 years?
3. Is Nike a small, medium, or large cap company? How do you know?
4. Company B's stock price is \$500. You overhear a classmate say, "Based on the stock price, Company B's value is clearly higher than Nike's!" Why might your classmate be wrong?
5. If you were considering buying a stock, which time frame would you use to analyze its price history (1-day, 5-day, 1-month, etc)? Why?

## FINCAP FRIDAY: [Stock Split Summer](#)

Sometimes, a company will announce a stock split. So, what does this mean for you as an investor? Go through this FinCap Friday to find out! As your teacher progresses through the slides, answer these questions, just writing A, B, C, or D for questions 1 - 5.

1. **Question 1:**
2. **Question 2:**
3. **Question 3:**
4. **Question 4:**
5. **Question 5:**
6. **You've been interested in investing in Company C for quite some time. You've done your research and you're ready to invest. Coincidentally, Company C just announced a stock split. Why might this be good news for you?**



**DO IT**

## ACTIVITY: [PROJECT: 5 Stocks on Your Birthday](#)

You've learned a lot about what stocks are and how to evaluate their performance. Now, let's put it all together. Follow the direction on the worksheet to complete this activity.



**EXIT TICKET**

Follow your teacher's directions to complete the Exit Ticket.