

# Investments

Word bank: bull, bear, OTC (over the counter) market, day trader, speculation [used twice], option, blue chip stocks, liquidity, brokerage firm, capital gain,

A penny saved is a penny earned – Benjamin Franklin

# Different Types of Investments

Use the internet or the book to give a brief explanation of the following types of savings and investments (not in word bank).

## Banks

1. Checking: \_\_\_\_\_
2. Savings Account: \_\_\_\_\_
3. Money Market Funds: \_\_\_\_\_
4. CD's: \_\_\_\_\_

## Stocks

5. Common Stock: \_\_\_\_\_
6. Preferred stock: \_\_\_\_\_
7. Mutual Funds: \_\_\_\_\_

## Bonds

8. Corporate bonds: \_\_\_\_\_
9. Government bonds: \_\_\_\_\_

# Stock Definitions

Use the following words to fill in the blanks: daytrader, blue chip stocks, OTC market, capital gains, liquidity, speculation, option, brokerage firm

1. \_\_\_\_\_: electronic marketplace for stock that is not listed or traded on an organized exchange



2. \_\_\_\_\_: difference between a high selling price and a lower buying price, profit



3. \_\_\_\_\_: business that specializes in trading stocks



4. \_\_\_\_\_: the contract that gives an investor the right to buy or sell stock



5. \_\_\_\_\_: making high risk investments with borrowed money

6. \_\_\_\_\_: stocks of large reliable companies

7. \_\_\_\_\_: Someone who literally trades daily. Minute by minute basis to make a profit

8. \_\_\_\_\_: Ability to convert something to cash.

# How to read a stock page

www.win.net/econky/msg/... x

www.win.net/econky/msg/SMGguide/readingdata.pdf

1 / 2 85% Find

## How to Read the Newspaper Stock Tables

**52-week High and Low:** These columns list the highest and lowest prices the stock reached over the last year, illustrating the range of prices investors were willing to pay.

**Stock:** The name of the stock is listed here. If the stock has a long name, it will be abbreviated to fit into the column. For example, Coca-Cola is often abbreviated as CocaCl. (Note: these are not ticker symbols.)

**Dividend:** This column indicates the current annual rate of the company's dividend payment.

**PE:** This column show the stock's price in relation to its earnings (profits), known as the P/E ratio, shown as a multiple, based on the last four quarters.

(52 week)		Stock	Div.	PE	Vol 100s	Last	Change
High	Low						
11 1/2	7 1/8	Aaxx	.48	17	237	11 3/4	+ 1/8
10 3/4	8 1/2	Aayy	...	7	1024	9 1/2	- 1/8
75 1/2	44 3/8	Aazz	...	35	1523	72 7/8	+ 1 1/2

**Vol 100s:** This column shows the number of shares that were traded, x 100.

**Last:** Stock prices can rise and fall during any time when shares are traded. This column shows the final stock price of the day.

**Change:** This column shows how much the stock's price changed from the previous day's closing price.

# More on stocks

- Dow Jones and S&P 500 are indexes that show the performance of limited but representative stocks. They are like a thermometer of the stock market.
- New York Stock Exchange: arranges stock and bond trading of the largest and most established companies in the United States.
- 1929 Crash was caused by \_\_\_\_\_. It caused the average American citizen to shy away from buying stocks

# Last Stock Tidbits

Use Bull or Bear to fill in the blanks

\_\_\_\_\_ Market: overall stock prices on average are going up.

\_\_\_\_\_ Market: Overall stock prices on average are going down.

Why do you think these names were used?

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