



Stock Project: Semester 2

This project will be a semester long project designed to get you all familiar with the stock market and how investing works. You will have weekly and semi-weekly assignments associated with the project. Your grades will be based on completion and performance – just like in the real market. To make things interesting for you ... the student who racks up the highest returns over the course of the semester will be exempt from the final exam (*if the administration approves AND your total is greater than the winner of the 4th and 5th grade stock market competition*).

Objective:

The objective of this exercise is to get you used to looking at the financial information as presented in the newspapers or online. At some point in your life, the major investment vehicle for most of you will be the stock market (NYSE, AMEX, or foreign exchanges). You must understand how to evaluate companies and read the information that the markets put out. You will also need to understand how to find out information about companies in order to invest wisely. It is my hope that by the end of this semester you will feel comfortable with the investment process and the markets. I also hope that you will understand the value of investing early and wisely.

Assignment:

You are going to start out with \$10,000 that you must invest in the stock market. You will be required to split the money between a minimum of five stocks and a maximum of ten stocks from the NYSE or NASDAQ/AMEX. You will keep a record of the quantity of stock you own as well as its purchase price and any weekly changes in value.

In order to assist you with this endeavor, there are several useful websites and apps that can be employed (just a few are listed below).

Google Finance:

<http://www.google.com/finance/portfolio?action=view&pid=1&ei=IeuyUqiWEKjmsgevFQ>

Yahoo Finance

<http://finance.yahoo.com/>

CNN Money:

<http://money.cnn.com/>

There are also several phone apps on googleplay and itunes which may help you.

You will track the performance of your stocks every week and keep a record of prices and your earnings or losses. You are free to trade as often as you like but you **MUST** research each company you invest in and keep a record of any trades you make. **BEWARE: You must keep paper records of every transaction!** And remember that every trade or purchase you make there will be a ten dollar broker's fee. Many of the sites don't have a way to keep track of this fee so you have to keep the records on your own. **This amount will be subtracted from your total so make sure you have enough to cover any trades or you will lose the trade.**

Honors Economics

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Once a week, you will post a summary of your week's performance on the class blog. This posting must take place **AFTER** the close of the market on Friday. These blogs are broken down by class period so please make sure you post to the appropriate class. The summaries must include details on how your particular stocks performed that week as well as any reasons you think the stocks moved the way they did. You should also include what your closing balance was for the week.

In addition to the stock information, you will also submit a stock portfolio every two weeks including your fundamental and technical analysis sheets as well as a written report detailing the fundamentals of the companies you have chosen to invest in (one page minimum – one company per report). This report must include the basic information about the company, products and management, and why you feel your investment is a reasonable one. These reports will also include information such as P/E ratios, dividends and any other relevant investment information – don't worry, we will go over it before I send you on your way to college.

Grading:

Your grades for this assignment will be based on your evaluations of the companies you choose to invest in. You will also be graded on the accuracy of your weekly account summaries. **DO NOT GET LAZY!** If I see that you are not putting effort into these assignments I will grade you accordingly. Consider me to be a combination of the IRS and SEC ... if you cheat there will be severe consequences! ☺

Have fun with this and learn as much as you can.

Please note – I would like you to fill out the grid below during the first week of the project. I will use it to evaluate the blog posts and your financial decisions.