

STOCK MARKET CHALLENGE

In pairs or a group of three, you will learn about various companies and their trading values on the stock market. As a group, you will account for your gains and losses in an Excel spreadsheet and keep track of all purchases you make in the *General Journal* provided.

You have been given \$100,000 to invest in the stock market.

- a. You must decide how and where you will invest your money. What types of companies or industries are you interested in investing in?
- b. You must choose a minimum amount of **FIVE** companies to invest in.
- c. You must also buy a minimum of **100** shares in each of the companies you choose.
- d. You must record the daily "close price" for the next **three** weeks for each stock you have purchased.
- e. You will determine at the end of the three weeks whether or not you made any money.

At the end of the three weeks you will submit the following:

1. Record of daily prices for each stock. (Create a Stock Tracking Sheet in Excel - example spreadsheet provided)
2. Calculate how much you lost or made at the end of the three weeks.
3. Completed *General Journal* for all stock purchases and final entry indicating overall gain or loss. Your journal must include an opening entry indicating your \$100,000 financial position.
4. A written summary answering the following questions:
 - i. What was the strategy used in choosing companies to invest in? What characteristics were used to determine which stocks to purchase?
 - ii. A brief company description for each company. What type of industry does each of the companies belong to?
 - iii. Explain the trends you see in the stocks you have chosen, and whether or not you would continue to keep your money in each, why or why not?
 - iv. Overall, how was your stock market experience?

- Use subheadings to set up your written summary : **Our Strategy, Company Descriptions, Trends and Personal Evaluation**

Sample "Stock Tracking Sheet" - Create a separate sheet for every company in which you invest to easily record daily close prices.

Company _____

Stock Name	No. of Shares Purchased	Date	Purchase Price	Amount of Investment	Daily Close Price	Daily Gain or Loss

Useful Websites:

www.tsx.com (Toronto Stock Exchange - click on Symbol Lookup to find company abbreviations)

www.thestar.com (click on the Business Section)

www.nasdaq.com (click on Symbol Lookup to find company abbreviations)