

## Buying Your First Stock Lesson Plan

### Overview

This lesson is an introduction to buying a stock. Students will be introduced to basic vocabulary that is involved with a buying and owning a stock. Students will be going through the entire process of buying a stock from looking up the company ticker symbol to buying a stock in their virtual portfolio.

### Objectives

By the end of the lesson, students will:

- Explain what a stock is.
- Understand the importance of researching before investing.
- Read and evaluate a stock quote.
- Buy a stock on PersonalFinanceLab.com.

### Vocabulary

- **Stock:** a share of ownership of a company.
- **Stock Quote:** the price of a stock as quoted on an exchange, providing the current bid and ask price, last traded price, and volume traded.
- **Ticker Symbol:** an arrangement of characters (letters in the US) representing particular securities listed on an exchange or otherwise traded publicly.
- **Portfolio:** grouping of financial assets such as stocks, bonds, commodities, currencies and cash equivalents, as well as mutual funds, or exchange-traded funds (ETFs).

### Standards

#### Employment and Income:











- Standard 2. Compare sources of personal income and compensation.
- Standard 3. Analyze factors that affect net income.

#### Investing




















- Standard 1. Explain how investing may build wealth and help meet financial goals.
- Standard 2. Evaluate investment alternatives.
- Standard 3. Demonstrate how to buy and sell investments.
- Standard 4. Investigate how agencies protect investors and regulate financial markets and products.

This listing is based on the Jump\$tart National Standards for Personal Finance. To see how this lesson aligns with other standards (including for your state), visit: <https://www.personalfinancelab.com/standards-alignment/>

### Lesson Plan Includes

	Direct Instruction		Presentations
	Class Discussion		Technology-Based Activity
	Full Class Activities		Worksheets
	Small Group Activities		Assessments
	Individual Activities		External Resources

### Activity Summary

- Introduction 
  - Time: 5 mins.
- 'What is a Stock?'     
  - Time: 7 mins.
- 'What is a Ticker Symbol?'     
  - Time: 3 mins.
- 'Getting Trading Ideas'     
  - Time: 16 mins.
- 'Reading Stock Quotes'     
  - Time: 10 mins.
- Investing 101 Course: Chapters 1-3   
  - Time 130 mins.
- Leesa Hudak's Stock Portfolio Project  
  - Semester-long Activity.
- Ticker Talk  
  - Time: 20 mins.
- Stock Market Game   
  - Time: 15 mins.

## Introduction

Explain:

- A **Stock** is a share of ownership of a company.

Explain:

- When you buy a stock, you are investing your money into something in order to get something in return. It is important to know what you are investing in, so you don't lose your money.

Explain:

- There are many terms involved with buying a stock such as a **Ticker Symbol, Trading** and **Stock Quotes**.
- If students have no idea what those terms are, that's okay!
- Today, they will get to experience investing in real companies on a virtual stock exchange.

## Independent Activities

Activities designed for students to learn independently, either in class or as homework. Some activities include presentations if you prefer to use them for direct instruction instead of independent study.

### Independent Activities Include:

- |   |                                     |
|---|-------------------------------------|
| 1. 'What is a Stock?' Lesson.....             | <b>Time:</b> 7 Minutes              |
| 2. 'What is a Ticker Symbol?' Lesson.....     | <b>Time:</b> 3 Minutes              |
| 3. 'Getting Trading Ideas' Lesson.....        | <b>Time:</b> 16 Minutes             |
| 4. 'Reading Stock Quotes' Lesson.....         | <b>Time:</b> 10 Minutes             |
| 5. Investing101 Chapters 1-3.....             | <b>Time:</b> 130 Minutes            |
| 6. Leesa Hudak's Stock Portfolio Project..... | <b>Time:</b> Semester-long Activity |



## 1. 'What is a Stock?' Lesson

Assign your students the 'What is a Stock?' lesson on PersonalFinanceLab.com. This lesson is an introduction to stocks. Students will learn how to make a stock trade on PersonalFinanceLab.com. Students will be required to complete the quiz at the end as an assessment. If used as homework, follow up with discussion questions the next day.

**Time:** 7 Minutes

**Required Resources:** PersonalFinanceLab.com  
site license & computer access.

**Type:**  Technology-Based Activity

 Individual Activity/Homework

 Class Discussion

 Presentation

 Assessment

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### Resource Links

[What is a Stock? \(personalfinancelab.com\)](https://personalfinancelab.com/What-is-a-Stock/)

### Presentation

[What is a Stock GoogleSlides Presentation](#)

### Discussion Questions

1. What is a stock?
2. What benefits come with stocks?
3. Where can you buy a stock?

### Key Takeaways

- A **Stock** is part ownership of a company and entitles the owner to a percentage of the company's assets and profits.
- There are two types of stocks: common stock and preferred stock. **Common Stock** gives voting rights and dividends, while **Preferred Stock** does not have voting rights but has preference for dividend payments.
- Stocks differ from bonds in that stocks represent ownership of a company, while **Bonds** represent a loan or debt to a company.
- Stocks can come from new issues, where a private company goes public and issues shares for anyone to buy, or from stock dividends or splits, where current shareholders receive additional shares.
- Stocks have a long history that dates back to the Roman Empire, and have been used to raise funds for various projects throughout history.








## 2. 'What is a Ticker Symbol?' Lesson

Assign your students the 'What is a Ticker Symbol?' lesson on PersonalFinanceLab.com. This lesson introduces the term Ticker Symbol and the history of ticker symbols. The lesson also teaches students how to find and use a ticker symbol. They will be required to complete the quiz at the end as an assessment.

**Time:** 3 Minutes

**Required Resources:** PersonalFinanceLab.com site license & computer access.

**Type:**

-  Technology-Based Activity
-  Individual Activity/Homework
-  Class Discussion
-  Presentation
-  Assessment

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### Resource Links

[What is a Ticker Symbol? \(personalfinancelab.com\)](https://personalfinancelab.com)

### Presentation

[What is a Ticker Symbol GoogleSlides Presentation](#)

### Discussion Questions

1. Why do we use ticker symbols?
2. How have ticker symbols evolved over time?
3. What are some potential advantages and disadvantages of using ticker symbols to identify companies?
4. How important is it for investors and traders to be knowledgeable about ticker symbols?

### Key Takeaways

- A **Ticker Symbol** is a unique code used by stock exchanges to identify a company.
- Ticker symbols were used because they provided a quick way to identify a company without having to write or say the company's full name.
- Ticker symbols do not directly match with a company's name.
- Ticker symbols were originally used in the late 1800s to transmit news quickly over telegraph lines.
- Ticker symbols can be found on most financial websites or by looking them up on the PersonalFinanceLab website.



### 3. 'Getting Trading Ideas' Lesson

Assign your students the 'Getting Trading Ideas' lesson on PersonalFinanceLab.com. This lesson is meant for students who are new to the stock market and need a little direction on how to start. They will be required to complete the quiz at the end as an assessment. If used as homework, follow up with discussion questions the next day.

**Time:** 16 Minutes

**Type:**  Technology-Based Activity

**Required Resources:** PersonalFinanceLab.com site license & computer access.

 Individual Activity/Homework

 Class Discussion

 Presentation

 Assessment

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#### Resource Links

[Getting Trading Ideas \(personalfinancelab.com\)](https://personalfinancelab.com)

#### Presentation

[Getting Trading Ideas GoogleSlides Presentation](#)

#### Discussion Questions

1. What is one strategy that you think you'll use when investing?
2. What is the market summary?
3. How does a market summary effect when you buy/ sell?

#### Key Takeaways

- Establish goals for your financial needs.
- Consider the risk and reward when making investment decisions.
- Diversify your portfolio by spreading your money across different industries.
- Invest in stocks of companies that you are familiar with as a beginner investor.
- Use stock screeners to find stocks that match your criteria and do further research on them.

#### Stock Game Activity

Have students look up a stock that they hope to purchase. In their trade notes, they must write a 2-3 sentence summary on why they purchased the stock based on the stock quote. Some ideas to help them get started:

- Choose a company they know...
- The company was on the trading ideas page..
- The stock price was a low price or good price...
- I wanted to invest in a new industry to diversify my portfolio...



## 4. 'Reading Stock Quotes' Lesson

Assign your students the 'Getting (and Understanding) Stock Quotes' lesson on PersonalFinanceLab.com. This lesson covers what is included in a stock quote, defining all the key terms. Students will be required to complete the quiz at the end as an assessment. If used as homework, follow up with discussion questions the next day.

**Time:** 10 Minutes

**Type:**  Technology-Based Activity

**Required Resources:** PersonalFinanceLab.com  
site license & computer access.

 Individual Activity/Homework

 Class Discussion

 Presentation

 Assessment

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### Resource Links

[Getting\\_\(and understanding\)\\_Stock Quotes \(personalfinancelab.com\)](https://personalfinancelab.com)

### Presentation

[Reading Stock Quotes Presentation](#)

### Discussion Questions

1. What is the purpose of a stock quote?
2. How are bid price and ask price different?
3. Where can you find a stock quote?

### Key Takeaways

- A **Stock Quote** represents the **Last Price** at which a seller and a buyer of a stock agreed on a price to make the trade.
- The **Bid Price** is the highest price a buyer is willing to pay for the stock.
- The **Ask Price** is the lowest price a seller is willing to sell the stock.
- Stock quotes are used when buying or selling stocks to get information before making a financial decision.
- Stock quotes include components such as the 52-week high and low, company name and type of stock, ticker symbol, dividend per share, dividend yield, price/earnings ratio, trading volume, day high and low, close, and net change.



## 5. Investing 101 Course: Chapters 1-3

Assign your students chapters 1-3 from the Investing 101 Course on PersonalFinanceLab.com. Each chapter includes a vocabulary and 10-question exam covering the entire chapter. The assessments can be assigned separately. Recommended resources are included for students who want to dive deeper on a particular subject. The course was designed to be used alongside the Stock Game, Budget Game, and other lessons on PersonalFinanceLab. They also work great as homework! If students complete the whole course, they are eligible for a completion certificate.

**Time:** 130 Minutes

**Type:**  Technology-Based Activity

**Required Resources:** PersonalFinanceLab.com  
site license & computer access.

 Individual Activity/Homework

 Assessment

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### Resource Links

[Investing 101 - Chapter 01 \(Introduction to Investing\).](#)

[Chapter 01 Vocabulary Quiz](#)

[Chapter 01 Exam](#)

[Investing 101 - Chapter 02 \(How The Stock Market Works and Why It Works\).](#)

[Chapter 02 Vocabulary Quiz](#)

[Chapter 02 Exam](#)

[Investing 101 - Chapter 03 \(Making Your First Trade\).](#)

[Chapter 03 Vocabulary Quiz](#)

[Chapter 03 Exam](#)

### Chapter 1: Introduction to Investing

This is a set of 12 mini-lessons, with a unit review exam, which walks through basic security types (stocks, bonds, mutual funds), along with a basic discussion of risk.

### Chapter 2: How The Stock Market Works and Why It Works

This is a set of 10 mini-lessons discussing the history of the stock market, the mechanics of a stock exchange, using a stock broker, and some of the dangers and pitfalls encountered by new investors.

### Chapter 3: How The Stock Market Works and Why It Works

This is a set of 8 mini-lessons walking students through researching their first stock and placing their first trade. There is an emphasis on basic terminology and order types, along with the mechanics of what it means to place a trade and build a portfolio.





## 6. Leesa Hudak's Stock Portfolio Project

This project comes recommended from Leesa Hudak from Bow High School in New Hampshire. Learn more about [Leesa's classes in our case study](#)! In this individual activity, students will build and manage a stock portfolio over the course of a semester, making investment decisions based on research, market trends, and risk assessment.

**Time:** Semester-long Activity

**Required Resources:** PersonalFinanceLab.com site license & computer access.

**Type:**  Technology-Based Activity

 Individual Activity/Homework

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### Resource Links

[Sectors Explorer Tool](#)

[Stock Comparison Tool](#)

### Project Guidelines

#### 1. Starting Funds:

- Each student begins with **\$100,000** in virtual cash.
- A **weekly deposit of \$2,000** in cash will be added to their portfolio.
- Students may not have more than **\$2,000 in cash** at any time.

#### 2. Investment Rules:

- It is recommended to invest in **at least 3 different sectors** (e.g., Technology, Healthcare, Energy, Consumer Goods, Financials, etc.).
- Must hold **at least 5 different stocks** at all times. Research on these stocks must be submitted before any trades can be made.
- Stocks can be bought and sold throughout the semester.
- No single stock may comprise more than **30% of the portfolio's total value** at any given time.

**Note:** our [Sectors Explorer Tool](#) is a great resource to help students get started!

#### 3. Research & Strategy: This will be done as a homework assignment BEFORE the competition begins.

- Students must research each stock before purchasing, justifying their investment based on:
  - Company financials
  - Recent news
  - Market trends
  - Potential risks & rewards
- They should define an investment strategy (e.g., growth, value, dividend investing).

**Note:** our [Stock Comparison Tool](#) is an excellent way to introduce students into how to start their research!

## Project Guidelines *Continued*

### 4. Final Report & Presentation:

- At the end of the semester, students will submit a **final report** including:
  - Summary of investment philosophy
  - Summary of initial investments and reasoning behind each investment
  - Weekly performance overview
  - Key learning experiences
  - Final portfolio value and performance analysis
- A **5-10 minute presentation** summarizing their experience, wins, losses, and key takeaways.

## Evaluation Criteria

### 20 points:

*Your portfolio must be within the parameters of the competition in order to receive ANY of these points.*

1. Your portfolio return must be within 5% points of the S&P500 by the end of the competition.
  - The 5% is based on the starting value of the S&P (5, 608.36) vs the ending value of the S & P.
  - Portfolios that BEAT the S&P500 will receive 1 point for every 3% that the ROI is greater than the S&P

**This portion of the project is time sensitive and, therefore, a reassessment is not possible.**

2. Weekly Check-Ins: **NOTE:** Weekly check-ins will be done throughout the semester as homework assignments and are not part of the project grade.

### 5 points per week:

*For staying within the parameters (weekly check in to check cash balance and minimum of 5 stocks).*

Weekly Check-In will take place at the beginning of the last class of the week.

## Full Class & Small Group Activities

Full Class Activities are designed for whole-class participation. These are best used along with the direct instruction portion of the lesson.

### Full Class Activities Include:

7. Ticker Talk.....**Time: 20 Minutes**

Small Group Activities are designed for small groups of 3-4 students. These resources are best used after full-class direct instruction and activities.

### Small Group Activities Include:

8. PersonalFinanceLab Stock Game.....**Time: 15 Minutes**



## 7. Ticker Talk

In this activity, students will be learning how to find a ticker symbol and the ticker symbol of various companies.

**Time:** 20 Minutes

**Type:**  Full Class Activity

**Required Resources:** PersonalFinanceLab.com  
site license & computer access.

 Technology-Based Activity

### Resource Links

[Symbol Lookup \(personalfinancelab.com\)](https://personalfinancelab.com/symbol-lookup).

[Make a Trade \(personalfinancelab.com\)](https://personalfinancelab.com/make-a-trade).

### Instructions

1. Explain to students that a ticker symbol is a way to represent a company on the stock market.
2. Provide the examples:
  - a. **KO** for Coca-Cola or **CAKE** for Cheesecake Factory
3. Explain to students how you can find the ticker symbol on the PersonalFinanceLab.com website from the [Symbol Lookup](#) page, and then go to [Make a Trade](#) page to invest in it.
4. Example 1: Type Facebook on the Symbol Lookup page.
  - a. Show students Facebook's ticker is FB.
5. Example 2: Type FUN on the Make a Trade page.
  - a. Show students that FUN is Cedar Fair Ticker.
6. Write either the company names or ticker symbols on the board from the table below.
7. Students will use the research tools on PersonalFinanceLab.com to gather all the information for each company, including the company name, ticker symbol and last price.
8. Once the students have found all of the above. Have them find 3-5 companies that interest them or that they buy products from.

Company Name	Ticker Symbol
Wayfair Inc.	W
Zscaler Inc.	ZS
Netflix Inc.	NFLX
DMC Global Inc.	BOOM
Turtle Beach Corporation	HEAR



## 8. PersonalFinanceLab Stock Game

Put students into teams and have each member research a different stock on PersonalFinanceLab.com. The students will then discuss as a group which stock they think is the best to purchase and present that idea to the class.

**Time:** 15 Minutes

**Type:**  Technology-Based Activity

**Required Resources:** PersonalFinanceLab.com  
site license & computer access.

 Small Group Activity

 Class Discussion

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### Resource Links

[Symbol Lookup \(personalfinancelab.com\)](https://personalfinancelab.com).

[Stock Screener \(personalfinancelab\)](https://personalfinancelab.com).

### Instructions

1. Each person must record the following information on the company they research on PersonalFinanceLab.com
  - a. Company Name
  - b. Ticker Symbol
  - c. Open/ Close Price
  - d. Bid/ Ask Price
  - e. One article that provokes them to buy the stock
  - f. One article that discourages them from buying the stock
2. The students will then discuss as a group which stock they think is the best to purchase and present that idea to the class.

### Discussion Questions

- Based on your research, what factors have contributed to the company's stock price performance?
- What trends do you notice in the company's stock price over a specific time period?
- How does the company's stock performance compare to its competitors in the same industry? What factors might be contributing to these differences?
- How do you think recent news events or announcements have influenced the company's stock price? Can you provide specific examples?
- What are the main risks associated with investing in this company's stock? How might these risks impact its future performance?
- What additional information or research would you need to make a well-informed investment decision about this company's stock?

## Conclusion

Remind students why it is important for students to research stocks before they purchase them.

Have students write the name and ticker symbol of the stock that they purchased, with their initials on the back.

- Put the papers in a hat and pick one.
- Ask the student why they picked the stock.
- You can repeat this everyday with a new student