**Investing in the Stock Market**

One way people plan for their future is to invest in the stock market.

**What is a stock**?

A **stock** represents a share in the ownership of a company. If you own a company’s stock, then you are an owner, or **shareholder**, of a company. A stock represents a *claim* on the company’s assets and profits. A stock is also known as *equity*.

Ownership of a stock is represented by a stock certificate. A stock certificate represents your ownership of the company. These days when you buy stock of a company, you usually do not get the actual stock certificates. Instead, your ownership is tracked electronically; making it easier to buy and sell shares.

Now that you have stock and ownership of a company, what can you do with it? Not very much. You can monitor your stock by checking it daily. Stocks are traded every week day from 9:00 am until 4:00 pm. The values of stocks are constantly changing. You will benefit when the price of the stock goes up, or lose if the price goes down.

Buying stock can be risky. The price of the stock may go up, or it may also go down. If the company goes bankrupt, then you could potentially lose all the money you invested in the stock; however, that is what investing is all about. Making an investment means that you are taking a risk with your money. You hope to make money on your investment, but there is no guarantee.

**Stock Market Project Direction**

* You have $1000 to invest in the stock market. Purchase stock in one company without going over $1000. When choosing your stock and determining the number of shares you can purchase, remember you must have spent as much of the money as possible. Your balance after purchasing your stock shares must be less than $100.
* Go to my Weebly page and go to “Resources”. Use one of the links to look at stock listing and help you choose a stock to invest.
* Research the companies and pick the stock you will buy with your $1000. On the back of this paper, you will track your stock for 10 business days in order to calculate the gains and losses for your stock. **You must check your stock daily after 4:00.**
* Use the example below for the fictional Peach Computer Company to help you track your stock.

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| --- | --- | --- | --- | --- |
| **Stock Ticker Symbol** | **Purchase Price** | **Number of Shares Purchased** | **Total Amount invested in stock / Original net worth** | **Balance**  **(less than $100)** |
| PCC | $84.17 | 11 | $925.87 | $74.13 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Day** | **Closing Date** | **Closing Price** | **Change per share**  **(include Positive or Negative)** | **Money Made or Lost based on number of shares purchased** | **Net Worth** |
| 1 | 4/12/2017 | $85.36 | + 1.19 | + $13.09 | $938.96 |
| 2 | 4/13/2017 | $83.80 | – 1.56 | – $17.16 | $921.80 |