

Taking Stock

Algebra I Project

This project will last for two weeks. You will be keeping track of a stock and its price for the entire two weeks.

You will create a power point presentation for the project laying out the four activities that follow.

The project is due Thursday October 8th.

Please send your project to me through Engrade messages.

How do stockbrokers and financial analysts determine what stocks to buy?

What do they investigate when looking at a company?

As you work through the activities, you will collect data about a company.

You will use formulas to analyze the data. Then you will decide how to

organize and display your results in graphs and spreadsheets. The activities

will help you better understand how stockbrokers and financial analysts

track stock performance to determine what stocks to buy.

Activity 1: Researching

Before making any decisions regarding a stock purchase, it is customary to obtain facts and a history about a company.

- Select a company to research. Gather information about the products or services the company sells, the history of the company, its management practices, and its revenue and profits.
- What is the stock symbol and on which market is it traded?
- Investigate the requirements for a company to trade on the New York Stock Exchange.

Activity 2: Analyzing

Before you can track a stock, you need to be familiar with the stock page of the newspaper or online stock tracker such as Yahoo Finance.

- Using your stock tracker, determine what the headings mean for each column.
- Find the closing price for the stock you chose in Activity 1.
- What was the highest price for that stock during the last year?

Activity 3: Organizing

Ideally, before buying stock in a company, you study the historical performance of the stock in order to help predict its future potential. In this activity you will track a stock's performance during previous years.

- Using the company you selected in Activity 1, create a power point with a spreadsheet that displays the high and low price for the year, and earnings per share. The information should be collected for the last 10 years (if the stock has been traded for 10 years).
- Include a row on the spreadsheet that determines the average of each column.

Activity 4: Calculating

Suppose you have \$5000 to invest in the stock you have selected. The purchase price will include the price of the stock plus a \$19.95 fee.

- How many shares of stock can you buy?
- Keep track of your stock daily. Did the stock close higher or lower than the day before?
- Prepare a graph of the daily closing prices of your stock for the duration of the project.
- At the conclusion of the project, suppose you sell your stock. Did you make a profit or incur a loss? Explain.

Finishing the Project

The answers to the four activities should help you complete your project.

Assemble all the parts of your project in a power point presentation.

Include a summary of what you have learned about the stock market.

Is the stock you picked a good stock? Would you recommend this stock to others?

Explain.

Reflect and Revise

Ask a classmate to review your notebook with you. Together, check that your graph is clearly labeled and accurate. Check that your calculations are accurate. Is your spreadsheet well organized and easy to follow? Make any necessary revisions to improve your work.

The next slide is an example of what the project should look like.

