



## Investor Education Youth Outreach

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*presents*

# LIVE “STOCK” ADVENTURE



### REQUIRED MATERIALS:

- Directions\*
- Exchange Tracking Sheet\*
- Student Ledger Sheet\*
- Live “Stock” Adventure Mini-posters (4)\*  
Post at front of room to track changes in “Stock” prices
- Deck of Live “Stock” Adventure Cards  
If using a standard deck of cards and NOT Adventure Cards, use Guide to Increase-Decrease in “Stock” Prices & Situations\*
- Calculator or scratch paper for students and teacher, *not included*
- Pens or pencils for students and teacher, *not included*

\*Available in printable PDF format at [www.nasaa.org](http://www.nasaa.org)

## GETTING STARTED

- Teacher Option: Refer to Teacher Resources at the end of the Conclusion section.
- Teacher Option: Students write an investment goal. Refer to Teacher Resources.
- Teacher Option: Discuss value of having a diverse portfolio of stocks—risky and conservative. Refer to Teacher Resources.
- Students decide what stocks (animals) to purchase with their virtual \$300.
- Purchase prices for stocks (animals) are:
  - Low Risk                      Cow, Horse, Chicken    =    \$25 each
  - Medium Risk                Sheep, Donkey, Dog    =    \$50 each
  - High Risk                    Duck, Rooster, Pig     =    \$75 each
  - Wildcard                    Fox                         =    \$100
- The amount of increase/decrease per situation relates to the risk category.
- Increase and Decrease amounts for stocks (animals) are:
  - Low Risk                    Cow, Horse, Chicken    ↑ or ↓ \$ 5 each
  - Medium Risk                Sheep, Donkey, Dog    ↑ or ↓ \$15 each
  - High Risk                    Duck, Rooster, Pig     ↑ or ↓ \$25 each
  - Wildcard                    Fox                         ↑ or ↓ \$75
- Students are not required to invest the entire \$300 on purchasing stocks. They may withhold an amount of their choice in cash. The less cash invested results in less market impact for students to experience.
- A student's stock value cannot go below zero. If a student's stock value computes to a negative number, the student records "0" for that stock's value.
- Each student receives 5 Student Ledger Sheets.
  - This Adventure is designed for students to complete 5 Rounds.
  - The teacher may modify that number as needed.
- Students label Round 1 through Round 5 (or modification) on Student Ledger Sheets.
- Allow time for corrections as students compute and verify prices.

## EXCHANGE TRACKING SHEET

- The teacher or designated student is the exchange representative. The exchange representative does not complete a Student Ledger Sheet.
- Starting prices for each stock are on the Exchange Tracking Sheet. They are also listed in the Getting Started section as Purchase prices.
- The exchange representative records price changes for all animal stocks for all situations for all Rounds.
- After each Round (1-4), the exchange representative computes and records the *New Starting Price*. The exchange representative confirms the new starting price for student participants for each stock at the beginning of each new Round.
- After Round 5, the exchange representative computes the *Ending Price*.
- The Exchange Tracking Sheet is a master ledger for each Round. It is the key.

## ROUND ONE

- Students complete name, class, date, and cash information on Student Ledger Sheet.
  - In column B students record the *Starting Price* provided by the exchange representative for each stock.
  - Students select (1) the animal stocks, and (2) the number of shares to purchase. The number of shares purchased remains the same for all 5 Rounds—no additional stock purchases or sales are permitted.
    - Students may purchase multiple shares of one *or* several stocks.
- example: Student purchases 3 shares of the low-risk Cow stock  
3 shares x \$25 each = \$75 worth of Cow stock**



- In column D students record *Number Shares Purchased* for each animal stock purchased. The maximum amount students may invest is \$300.
- In column F *Starting Value of Stock Holdings* students record the product of multiplying column B *Starting Price* by column D *Number Shares Purchased*.
- Students answer three questions to verify their portfolio and cash values under columns B through F.
  - (1) Students total purchased stock holdings only.
  - (2) Students record amount of cash on hand (not invested). Cash on hand remains the same through all Rounds of the activity.
  - (3) Students total (1) and (2) to determine portfolio value. Total must equal \$300.
- Situation 1: Teacher draws and reads first situation card.
- In column G *Situation 1 Adjustment* students record the effect of increase or decrease for each animal stock owned. More than one stock may be affected per situation.
  - If the low-risk Horse increases per situation, students record + 5.00 or ↑5.
  - If the medium-risk Donkey increases per situation, students record + 15.00 or ↑15.
  - If the high-risk Rooster decreases per situation, students record -25.00 or ↓25.
  - If the wildcard Fox decreases per situation, students record -75.00 or ↓75.
  - If there is no change to an animal stock owned, students record n/a.
- Situations 2-5: Follow the same process for Situation 1 above using columns H–K to record adjustments or n/a for each stock owned.
- In column L *Sum of Adjustments* students record the impact of adjustments of situations 1-5 by computing the combined increases and decreases recorded in columns G thru K.
- In column M students calculate the *New Stock Price* of each animal stock owned. Column B *Starting Price* + or - column L *Sum of Adjustments* = column M *New Stock Price* for all stocks owned.
- To verify accuracy of students' computations, the exchange representative confirms column M *New Stock Price* for each animal stock.
- In column Q *Ending Value of Stock Holdings* students record the product of multiplying column M *New Stock Price* by column O *Number Shares Purchased*.
- Students answer three questions to verify their portfolio and cash values under columns M through Q.
  - (1) Students total *Ending Value of Stock Holdings* purchased for each stock owned.
  - (2) Students record amount of cash on hand (not invested).
  - (3) Students total (1) *Ending Value of Stock Holdings* and (2) cash on hand to determine portfolio net worth at the end of Round 1.

## ROUNDS 2-5

- Students move to the next consecutive Student Ledger Sheet and appropriately label it Round 2, 3, 4, or 5. Students complete the name, class, date, and cash on hand.
- Students record the new Starting Price for each animal stock owned in column B. This amount is transferred from column M *New Stock Price* from previous Student Ledger Sheet as verified by the exchange representative.
- In Column D *Number Shares Purchased* students record the number from column D on previous ledger sheet. Students have the same stocks and the same number of shares for all five Rounds.
- In column F *Starting Value of Stock Holdings* students record the product of multiplying column B *Starting Price* by column D *Number Shares Purchased*.
- Students answer three questions to verify their portfolio and cash values under columns B through F.
  - (1) Students total purchased stock holdings only.
  - (2) Students record amount of cash on hand (not invested). Cash on hand remains the same through all Rounds of the activity.
  - (3) Students total (1) and (2) to determine portfolio value.



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- Students answer three questions to verify their portfolio and cash values under columns M through Q.
  - (1) Students total *Ending Value of Stock Holdings* purchased for each stock owned.
  - (2) Students record amount of cash on hand (not invested).
  - (3) Students total (1) *Ending Value of Stock Holdings* and (2) cash on hand to determine portfolio net worth at end of each Round.

## CONCLUSION

### TEACHER OPTIONS

- Students complete the Total Percentage activity at the right of column Q.
- At the end of the final Round, teachers may choose to have:
  - class discussion or
  - student writing assignment.
- Possible topics for optional class discussion or student writing assignment include:
  - investment goals,
  - needs versus wants,
  - risk tolerance,
  - diversification,
  - opportunity cost,
  - budgeting,
  - profit versus loss,
  - Adventure's impact on student,
  - how to use profits,
  - how to protect students' money from securities fraud, or
  - related topic of teacher's choice.

### TEACHER RESOURCES

- <http://www.investorprotection.org/teach> / Click [The Basics of Saving and Investing: Investor Education 2020](#).
  - prepared and made available by Investor Protection Trust
  - Four units address most of the suggested topics above.
- [http://www.nasaa.org/investor\\_education](http://www.nasaa.org/investor_education)
  - Click on [FSI: Fraud Scene Investigator](#) for an optional securities fraud activity.

