



TEACHER GUIDE

The Stock Market Adventure is a video that will help students understand the process of selecting stocks for their **The Stock Market Game™ (SMG)** portfolios. This Teacher Guide to the video provides a suggested format for incorporating the video into your lessons. Additional copies of *The Stock Market Adventure* video may be purchased through your local SMG Coordinator.

I. Before Viewing Video:

In the video, students will observe Peter Lynch and students discussing what they should look for when selecting stocks and how to go about making their selections. Your students will then observe the student video as they embark on a “learning adventure” to various businesses researching the markers of the products available.

Ask students to look for at least 10 different products that are investigated during visits to the various businesses (i.e. Rollerblades, Virtual Reality, etc.)

II. Viewing the Video:

1. Suggested discussion topics:

Place the terms below on the chalkboard and discuss the meaning of each as it is used in the video.

- A. Stock-part ownership of a company
- B. Private Company-shares of stock are owned only by employees
- C. Public Company-shares of stock are publicly traded and sold to the public
- D. Developmental phases of a company:
 - Early Phase
 - Late Phase

2. What advice did Peter Lynch give to the students for selecting stocks?

- A. Know what the company does and whether they make good products (services).
- B. Do research so that you can know how well the company is doing.
- C. Know the financial position of the company.
- D. Know whether the company is in the “early” or “late” phase of development.

3. ***What products did the students investigate during their “adventure”?***
 - Exercise equipment
 - Sporting goods
 - Frozen yogurt
 - Burgers
 - Rollerblades
 - Subs
 - Perfume
 - Ladies nightwear
 - Sportswear clothing
 - Electronics
 - Virtual Reality
 - Water Guns

4. ***What is the purpose of the students going on their “adventure” to various businesses looking for products?***
 - To look for popular products and new and emerging products
 - Find out which company makes the product
 - Determine durability of the products.
 - Number of customers buying from the business

5. ***How could the students find out if a product they like is made by a company that is publicly traded?***
 - Check the Standard & Poor’s Encyclopedia**
 - Call an area stockbroker
 - Write to the company and ask for an annual report
 - Call or visit the business department at your city library
 - Look in the newspaper stock tables
 - Visit Hoovers.com or other web site

6. ***At the end of the video, the students were reading newspapers. What kind of information can be found in a newspaper that might help them as they search for companies in which to invest?***
 - Current news events that could impact an industry/company
 - News about a particular company for updates on performance (sales figures, profits, etc.)
 - Stock tables to look up P/E ratios, dividend payments, and current price per share

7. ***What additional questions might investors ask about a company before buying stock in that company? Answers may vary, but suggestions include:***
 - Company debt (asset to liabilities ration)
 - Earnings growth over the past five years
 - High and low prices for the year (stock tables)
 - Dividend payments

**Lesson 4 of [The Stock Market Game Guide](#) provides an activity in which students must locate the names of companies producing various products. There are also several resources which students might use. [Brand Names Dictionary](#) published by Gale Research Inc. of Detroit, Michigan, links brand names with the company names. [Standard and Poor’s Register of Corporations, Directors, and Executives](#) lists dependent companies with their parent company. Other useful sources might include [Million-Dollar Directory](#) and [America’s Corporate Families](#), both published by Dun’s Marketing Service, Inc.