The Stock Market in ONE Minute!

You want to start a business OR you need money to make your business bigger. The problem is that you don't have enough money to do this! To solve your problem, you divide your business into little pieces called ____________ or ______________. You sell these pieces in a place called the _________ _________. A person who buys a piece of your business is called a _________________. That person now _______ part of your business. That means that s/he will now get a percentage of how much _________ your business makes.

The price of a share or stock can vary from $________ to $__________. If your business does well and makes a lot of money, the price of your stock will go ________. If your business does not do well and does not make much money, the price of your stock will go ________. To make money, most people want to buy stock when the price of the stock is ________ and sell the stock when the price is ________. How does this help the investor to make money? ____

"Penny stock" is stock that is very cheap. Arnold buys Lawn Boy some of this cheap stock as a way of paying him for mowing his lawn. Would someone buying penny stock expect to make a lot of money or a little money? _____ Why? __________________________

____

In your own words, describe how the stock market works:

First, ____________________________________ Next, ______________________________

Then, ______________________________________ Finally, ____________________________

Would you invest in the stock market? ____ Give 2 reasons for your answer.

1) ____

2) ____