

Personal Finance Unit 4: Stock Market Analysis

Unit Focus

In Unit 4 of Personal Finance students will learn the basics of the stock market and how to analyze stocks. Students will take a look at the company as a whole, and their recent performances to determine if the company is worth investing in. Students will learn how events, news, and other factors such as psychology, and fear play a role within the stock market. Students will learn basic stock analysis of popular key indicators such as EPS, PE Ratio, and market cap. The PBA asks students to prepare a report for a client that analyzes a stock, makes an investment recommendation, as well as a prediction of where the price will be in one and five years based on their research and analysis.

Stage 1: Desired Results - Key Understandings

Established Goals	Transfer	
<p>Connecticut Goals and Standards</p> <p><i>Business and Finance Technology (CTE)</i></p> <ul style="list-style-type: none"> Explain how and why the stock market works. <i>BFT.PF.D.9</i> <p>Student Growth and Development 21st Century Capacities Matrix</p> <p><i>Critical Thinking</i></p> <ul style="list-style-type: none"> Synthesizing: Students will be able to thoughtfully combine information/data/evidence, concepts, texts, and disciplines to draw conclusions, create solutions, and/or verify generalizations for a given purpose. <i>MM.1.3</i> 	<p>T1 Demonstrate fiscal responsibility through examination of needs and wants, development of short and long term plans, and/or conservation of limited resources.</p>	
	<p>Meaning</p>	
	<p>Understandings</p>	<p>Essential Questions</p>
	<p>U1 When a company issues stocks they are selling shares of the equity in the business in order to raise capital. U2 Stock prices can be volatile and will fluctuate over time based on both internal and external factors. U3 When investing in the stock market it is best to take a buy and hold approach and think long term. U4 When investing in stocks one should ask themselves which company they want to be an owner of to help guide whether or not it is an investment they want to be part of.</p>	<p>Q1 How can I choose which stocks I should invest my money in? Q2 What are the factors that cause a stock price to move over time? Q3 Why is it important for me to diversify my stock investments across different companies?</p>
	<p>Acquisition of Knowledge and Skill</p>	
	<p>Knowledge</p>	<p>Skills</p>
<p>K1 Key indicators of stocks: Market cap, 52 week range, EPS, PE Ratio K2 Dow Jones, S&P500, Nasdaq, NYSE</p>	<p>S1 Analyzing market cap, 52 week range, EPS, PE Ratio S2 Calculating and analyzing revenue growth S3 Analyze a stock graph and attribute the price movement to specific causes, and if causes are internal or external S4 Predict future stock performance based on analysis of current performance</p>	