Personal Finance - Unit 4 - Stock Market Analysis

Unit Focus

In Unit 4, 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

Established Goals

Standards

Connecticut Goals and Standards
Business and Finance Technology (CTE)
Saving and Investing: Evaluate savings and investment options to meet short- and long-term goals. *(BFT.PF.D)*
Explain how and why the stock market works. *(BFT.PF.D.9)*

Other Goals

Profile of a Graduate
Analyzing: Examining information/data/evidence from multiple sources to identify possible underlying assumptions, patterns, and relationships in order to make inferences. *(POG.1.2)*
Decision Making: Make responsible decisions, based on potential outcomes. *(POG.4.2)*

Transfer

Students will be able to independently use their learning to...
T1 Demonstrate fiscal responsibility through examination of needs and wants, development of short and long term plans, and/or conservation of limited resources.

Meaning

Understanding(s)

Students will understand that...
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.

Essential Question(s)

Students will keep considering...
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?

Acquisition

Knowledge

Students will know...
K1 Key indicators of stocks: Market cap, 52 week range, EPS, PE Ratio
K2 Dow Jones, S&P500, Nasdaq, NYSE
K3 Vocab: Shares, corporation, dividend, capital gain, unrealized gain

Skill(s)

Students will be skilled at...
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