

Activity: After the Bell ... Before the Curtain

Activity Objective:

Students will review terms and concepts from the Stock Market Game. They will also realize that winning the SMG is not the most important part of the simulation.

Materials:

3 copies of the play: one for each character

A copy of the review sheet for each student in the class

Note to teachers: There are no required props or costumes for the play, but you might decide to include them. You might want to have your students practice this play and present it to their parents. This is a wonderful addition to any awards celebration that you might do for the Stock Market Game.

1. Copy the play three times and give a script to each actor. Encourage each of the actors to “get into their part.” Explain that statements written in bold are guidelines and should not be read aloud.
2. Have the actors perform the play for the class. Tell the class that they should pay close attention to the play so that they can answer questions about it when the play is finished.
3. After the play has been performed, give each student a copy of the review sheet to fill out. Tell them to fill out the sheet as best they can but that you will go through the play one more time to fill in anything that they missed.
4. Select 3 new actors to perform the same play.
5. Have each student complete any questions that they missed on the review sheet while the play is being performed the second time. Question 6 is on the second page so you have the choice as to whether or not you want your students to do this one. You can also assign it for homework.
6. Go over the review sheet with the class and answer any remaining questions.

The Play

Cast of Characters

Christopher/Christine "Lucky" Player

Samuel/Samantha Smart

Teacher--Mrs. Broker

Mrs. Broker: Now that the 10 week Stock Market Game is finished I am pleased to announce that our very own Lucky Player finished first in the state. Let's all give Lucky a big hand for a job well done!

Encourage the class to cheer and clap for Lucky, wait until they are finished before continuing

Mrs. Broker: Lucky was a 1-person team, but Lucky still managed to make over 50 thousand dollars. That is amazing! We are so proud of you, Lucky. Now, I want all of you to know that I am so proud of the job you did. I know not everyone in the class made as much money as Lucky did, but we had a lot of fun playing and hopefully everyone learned a lot. I want all the teams to pair up and discuss what they learned and what strategies they used. Lucky Player and Sam Smart, since both of you were 1-person teams, why don't you work together?

Mrs. Broker may now sit down off to the side until the end of the play since she does not speak again.

Lucky: Wow, I am so excited that I finished first in the state. I love to win. I am always so good at games. It is fun playing a game with so many people to beat. I wish I got to keep the 50 thousand bucks I made. I think I will be one of those Stock Breakers when I grow up since I am so good at it.

Sam: Don't you mean a Stock BROKER?

Lucky: Oh yeah, Broker. Whatever. I know how to make the money--who cares if I know the words? So what about you Sam, how much money did YOU make?

Sam (Sadly): Oh well, I didn't exactly make any money.

Lucky: How can you not make any money? It was so easy. So you ended up with only the 100 thousand you started with?

Sam: Not quite. Unfortunately, I purchased a lot of high-risk stocks that were doing really well right up until the last week. Then they dropped big time. So I ended up losing about 50 thousand dollars.

Lucky: Yikes! I didn't know you could lose money playing this game.

Sam: Of course you can. The Stock Market is not really a "game" -- it is a real place where people invest their money. Many people do make money while "playing" the stock market, but there are many people who lose money as well. It's important for anyone who is thinking about investing to remember that they should only invest as much money as they can afford, because they might lose their money if the stock prices drop.

Lucky: Are you sure it isn't JUST a game? Even you said people PLAY the stock market, doesn't that imply it is a game?

Sam: No, it's real. That's just the term that is used.

Lucky: Cool! I should just go on T.V. and tell the world how to do it! Since I did such a great job, maybe people would pay me to explain my way of making money.

Sam: I know I would love to hear your strategy. How exactly did you earn so much money?

Lucky: Oh, it was easy. You just need to know the tricks of the trade. Here is a good example. I knew that since I am one of the tallest kids in class that I should do something that we pros call a "Tall Buy." So I Tall Bought a lot of shares.

Sam: Um, I think you might mean a "Short Sell."

Lucky: Who are you calling short?

Sam: No, I am not calling you short. A Short Sell is when you expect the price of the stock to drop. You basically borrow stocks from a broker and sell them to someone else. You hope that the price on the stock drops before you have to return it. For instance: if you borrow 100 shares of Nike from Broker Bob and sell it to Broker Bill at \$50 a share, you hope that the price will drop to \$40 a share before you have to return it to Broker Bob. That way when you Short Cover, or buy back the stock that you sold to Broker Bill, you buy it for cheaper than you sold it. See, if you Short Sell Nike at \$50 for your 100 shares you make \$5000. Then when you Short Cover at \$40 you spend \$4000. That means that you made \$1000.

Lucky: Yeah, yeah, yeah. Short Sell and Short Sheet, I got it.

Sam: Short Sell and Short Cover...not Short Sheets. Short Cover is the opposite of Short Sell. Like Buy is the opposite of Sell.

Lucky: Whatever! I know how to pick stocks. It doesn't matter what you want to call it.

Sam: How did you manage to pick such great stocks?

Lucky: Oh that was the fun part! It was really easy too!

Sam: Fun and easy? Selecting the stocks is the most important and most difficult part of investing.

Lucky: I did it all based on its "clock."

Sam: On its "clock"? What is a "clock?"

Lucky: Boy and you thought you were so smart about investing! The clock is the nickname of the stock! Since my real name is Chris but everyone calls me Lucky, I picked stocks that had good nicknames or clocks as we pros like to call them.

Sam: Are you sure you don't mean ticker symbol?

Lucky: Yeah, ticker, that's it.... you know, like a clock! The ticker is the nickname of the stock.

Sam: Well, I guess that is one way to remember it. But, the ticker is really an abbreviation that is used rather than writing out the entire name of the stock. For instance, McDonalds is traded under the ticker symbol of MCD. Nike is NKE and The Walt Disney Company is DIS. At least these are the ticker symbols that they use on the New York Stock Exchange.

Lucky: What do you mean on the New York Stock Exchange?

Sam: I mean that exchange uses those symbols. Other exchanges might use different symbols.

Lucky: There is more than one Stock Market?

Sam: Sure. There are many all around the world. People from all different nations invest in the different stock markets. Except, unlike us, they use real money to purchase their stocks--which is why they have to be so careful and research the companies that they want to buy. Otherwise they might lose their money.

Lucky: Nah, my system doesn't lose. I just picked good clock symbols...I mean ticker symbols.

Sam: How did you pick good companies?

Lucky: No, I picked good ticker symbols. For instance, I picked CLP for Chris Lucky Player. It did pretty well for me.

Sam: What company is that?

Lucky: I don't know...I just liked the symbol.

Sam: We should look it up later and see what it really is. Did you have any other stocks?

Lucky: I sure did. I had WIN since that was what I wanted to do. I had ONE, since I am number 1. And I also had AWE, short for AWESOME!

Sam: Well, let me ask you this. If you were really spending the money or your parents were, do you think they would be willing to just pick things based on the letters?

Lucky: I don't know. But, how else do you pick stocks?

Sam: With a lot of research. You see what type of companies are doing well and then you analyze the companies in that industry. You want to pick a company that has been growing; you should know its products, and look at the high and low stock prices for the past year. It is also good to look at the company's annual report to learn more about the company, its earnings, how much debt it has and lots of other things. Think about it. If you were really spending money and maybe even losing money, wouldn't you want to be very careful about how you spent it?

Lucky: Yeah, I guess you are right. I would be a lot more careful. Wow, you sure know a whole lot about stocks. How come you didn't win?

Sam: Well, since I knew I wouldn't really lose any money since this is just a game, I picked some very risky stocks. They didn't do well the last week of the game and so I lost a lot of money. Of course, if the game had been one week longer I would have made \$65 thousand. Ten weeks is a really short time and investing should be done over a long time. But, you play differently when it is not really money, so I took a lot of chances.

Lucky: Wow. That is too bad. I wonder if I would have done well over a long time. I do know that there are trends used to describe the market when it changes. When it is good they call it a Cat Market and when it is bad they call it a Dog Market.

Sam: Close.... but not quite. When it is a good market, it is a Bull and when the market is down it is a Bear. Remember it this way, when it is good it is UnBULLievable how much money you can make, when it is bad it is unBEARable how much money you can lose.

Lucky: Wow, that is neat. I'll remember that now! Thanks for all of your help. I realize that I could have learned a lot about playing the stock market from this simulation. I was wrong to think it was all about winning. I realize it's more important to learn from this activity. I should have known Mrs. Broker wasn't JUST spending class time to play a game. I sure hope we can play again next semester. If we do, I am going to make sure I learn a lot.

Sam: Great idea. But, it is still really neat that you won. Next time work on learning and on winning and you will really be a true winner!

Lucky: Well, thanks for teaching me so much today. I guess you are a real winner now since you learned so much.

Sam: Thanks. But, I learned something from you today too.

Lucky: Oh yeah? What?

Sam: I now know why everyone calls you lucky!

The End.

The Review Sheet

1. What does Lucky say he wants to be when he grows up? _____
What does he really mean to say? _____
What does someone with this job do?

2. When Lucky talks about Tall Buying he really means to say _____?
What does this mean? When would you use this strategy?

3. When Lucky talks about clocks he is really talking about _____.
What are these?

4. Whose method of picking stocks, Sam or Lucky's, would you use? Why?

5. Do you think if you were using real money you would play differently?
Why? Explain what you would do differently.

6. Look up the ticker symbols that Lucky used: CLP, WIN, ONE, and AWE. What are the names of the companies? Look at how each of these companies has done for the last year. Is it likely that Lucky would have really won with them?