

## Know When to Hold 'Em

LESSON 21: STUDENT ACTIVITY SHEET 1

Jack, Brooke and Caroline are chatting after school about a new special edition comic book that just exploded on the scene. One of the friends owns a signed comic acquired before the author and artist became famous, while the other two friends are eager to get their hands on a signed copy. Read the scenarios below and decide if Jack should sell his comic book to Brooke, make a trade with Caroline or hold on to his signed comic.


## JACK (SELLER):

Jack collects comic books and last year he went to a local convention to check out some new artists. He found one he thought was amazing and decided to buy an autographed comic by him at the show for $\$ 5$. Fast forward one year and the author is now hugely popular, with everyone clamoring to buy his comics. Autographed comic books are flying off local shelves at $\$ 25$ each and some are even selling for $\$ 50$ online. Jack's unsure if he should keep the comic, make a trade or sell it now that it's worth so much money.


## BROOKE (BUYER):

Brooke collects rare and original comic books. She loves the new series and needs an autographed copy of the original comic book to add to her collection. She is willing to pay whatever it takes to buy it and offers Jack \$100 for it.


## CAROLINE (TRADER):

Caroline would really like to have a signed copy of the comic book, but there's no way she can afford to pay $\$ 25$ or $\$ 50$ to buy one. She does have three comic books from another author that she, Jack and Caroline all like a lot. She offers Jack her three comic books for his autographed comic.

Should Jack sell, hold or trade? Why?

In order to make smart stock investments, it's important to understand the basics of what a stock is, and to keep up-to-date with how stocks perform. Many investors do this by reading stock tables. Before researching specific companies' stock performance, answer these questions about stock market basics:

1. What is a stock?
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2. What is the price-to-earnings $(P / E)$ ratio?
3. Identify some factors that might affect the price of a stock.

As a class, review the NYSE's How to Read Stock Tables found at www.nyse.com.
Next, select five companies that interest you and evaluate their stock performance. Think about companies that you know and like such as Disney, Coca Cola, Apple, etc. Visit the Wall Street Journal at online.wsj.com and search for the selected stocks. Record your findings in the chart below.

Continued on the next page.



How did each stock perform?
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Which stock closed at the highest and lowest?
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Which stock had the greatest rate of return?
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