

PROJECT: TRACKING STOCK

Are you thinking, “I wish there was a way to practice investing in the stock market without losing money”? There is. You can select a stock and track it. In this lesson, you will practice investing and track the stock for one week.

VOCABULARY

portfolio a list of investments held by an investor

Step One: Review several stocks by looking at stock tables and reading news articles. When you read about the company, be on the lookout for information, such as what products or services they sell, if they have any new products, and if the company has been making a profit. Select one stock to pretend to invest in. Here are a few suggestions, along with their symbols:

- Google: GOOG
- McDonald’s: MCD
- Linear Technology: LLTC
- Intel: INTC
- Amazon: AMZN
- Chipotle Mexican Grill: CMG
- Kraft: KFT
- Target: TGT

Helpful Link: <https://finance.yahoo.com/>

Search for a company or stock symbol in the Yahoo! Finance search box. The summary tab will give you most of the information you need to answer the following questions:

Company name:

Stock symbol:

What is the P/E ratio?

What information did you find about the company?

Why did you choose this stock?

Step Two: Pretend to invest \$1,000 in the stock that you chose. You will need to calculate how many shares of stock you can purchase by dividing \$1,000 by the price of the stock. For instance, if your stock sold for \$23.10 a share, then you could buy 43.29 shares.

$$1000/\$23.10 = 43.29 \text{ shares}$$

Use the “Chart” tab on the company profile to find the stock price. Once you have clicked on the “Chart” tab, click on the “5D” sub-tab to get the five day tracking of the stock. The stock price for the current date displays on the right side of the chart and the stock price for 5 days ago will display on the left. Dates are displayed at the bottom. Run your cursor over the chart and settle it on the date for 5 days ago. This will give you the initial price of stock to use in the calculation above.

Record the daily price of the stock in the table below:

Day 1	Day 2	Day 3	Day 4	Day 5 (today)

Subtract the price of the stock from “Day 5” from the price of the stock on “Day 1”. Did you gain or lose money? How much?