

Identifying Symbols and Interpreting Stock Quotes

Suggested Grade

Grades 9-12

Suggested Time

50 minutes

Teacher Background

To enter transactions in The Stock Market Game (SMG), teams must enter the ticker symbol of the company or fund they wish to buy or sell. Ticker symbols are what stock exchanges use to identify listed companies. Generally, companies listed on the New York Stock Exchange (NYSE) have one to three letters in their ticker symbols. The NASDAQ Stock Market and American Stock Exchange identify companies and funds with symbols that may be as long as five letters.

Each exchange-listed company has its own unique ticker symbol. A ticker symbol is a unique combination of up to five letters used to identify a stock or mutual fund. In some cases, a company's ticker symbol may look like an abbreviation of the company's name. For example, the ticker symbol for The Home Depot is HD, Morgan Stanley's ticker symbol is MS, and Time Warner Cable's ticker symbol is TWC. However, there are cases where a company's ticker symbol bears no resemblance to the company's name. The Coca Cola Company's ticker symbol is KO and AT&T's is just the letter T.

The SMG team portfolios provide teams with ticker symbol lookup tools. Students can find stock information including ticker symbols on most financial reporting websites. A popular site used by Stock Market Game teams is Yahoo! Finance:
<https://finance.yahoo.com/>

Vocabulary

Dividend: Part of a company's profits (earnings) paid periodically to stockholders.

P/E Ratio: Stands for price-to-earnings ratio. The P/E is the relationship between a company's earnings and its share price. It is calculated by dividing the current price per share by the earnings per share.

Share: A share is a unit of ownership in a corporation or mutual fund.



FOUNDATION



Stock: A type of security that signifies ownership in a corporation and represents a claim to a part of the company's profits or losses. Companies usually issue stock to raise money for a variety of reasons, including expanding or modernizing their operations.

Volume: The number of shares traded in a company's stock. Unusual market activity, either higher or lower than average, is typically the result of some external event.

Performance Objectives

Students will be able to:

- identify stocks by both newspaper and ticker symbol
- determine how to look up a stock using ticker symbols
- enter purchase orders and/or make a trade on The Stock Market Game website
- demonstrate the ability to use each of the following terms: share or stock, dividend, P/E ratio, volume, sales, or change

Materials

Activity Sheet 1: Reading a Stock Quote Table

Springboard Activity

Ask your students if to describe these food items:

A coke
A burger
Fish and Chips
Pigs in a Blanket
Ants on a log

Answers: A coke is a soda, a burger is a hamburger, Fish and Chips is a battered fish filet and French Fries, Pigs in a Blanket is breakfast sausages wrapped in a mini-pancake, Ants on a log is raisins on celery with peanut butter.

Explain that companies have special "menu names" like food items mentioned. These company names are called "ticker symbols." These symbols are how investors look up company stock quotes on financial news and stock price sites.

Procedure

With the class in their SMG teams, tell them that ticker symbols for some companies are easy to figure out. For example, the symbol for IBM is IBM (the actual company name is International Business Machines).



FOUNDATION



Ask them what they think the symbol for General Electric might be? (GE) General Motors? (GM) Dell Inc.? (DELL)

Display the following ticker symbols and ask the class to make an educated guess on which was the correct one for the Coca Cola Company:

CCEP
CCHGY
CCLAY
CCOJY
COKE
KO
KOF

Explain to the teams that not all ticker symbols are easily associated with the companies they represent. Instruct teams to login to the SMG team portfolios and go into the Stock Trade section of the Enter A Trade link.

Offer the following tips to help them narrow the choices:
Symbols with more than four letters are usually foreign stocks –that eliminates: CCHGY, CCLAY, and CCOJY

Ask them to type "COCA" (the first part of "Coca Cola" in the search box and click "Search by Company Name." They may also visit <http://finance.yahoo.com> to perform a symbol search for Coca Cola.

KO is the ticker symbol for the Coca Cola Company.

| Ticker Symbol | Company Name |
|---------------|---|
| CCEP | COCA COLA EUROPEAN PARTNERS PLC ORDIN |
| CCHGY | COCA COLA HBC AG UNSPONSERED ADR |
| CCLAY | COCA-COLA AMATIL LTD SPONSORED ADR |
| CCOJY | COCA COLA BOTTLERS JAPAN HOLDINGS INC |
| COKE | COCA COLA CONSOLIDATED INC COMMON STOCK |
| KO | COCA COLA COMPANY (THE) |
| KOF | COCA-COLA FEMSA SAB DE CV SPONSORED A |

Next, introduce the idea of parent companies and subsidiaries. Banana Republic and Old Navy are subsidiaries of the Gap. While they have their own brands and identities, they are owned by the Gap. Frito Lay, and Gatorade are both owned by Pepsi.

Ask the class if they are familiar with YUM! Brands, Inc.? Visit Yahoo! Finance and look up Yum! Brands, Inc. Scroll down to the company profile/summary. Do those teams who were familiar with YUM Brands, Inc. recognize additional subsidiaries? Do those who did not know about YUM! Brands, Inc. recognize some of its subsidiaries?



FOUNDATION



Novice & Apprentice Levels

Ask your teams to login to their SMG team portfolios and go to the Stock Trade section in the Enter A Trade link. Instruct them to type "APPLE" in the search box and then click "Search by Company Name."

Elicit responses from the teams for the following questions:

What companies did their search bring up?

Are they anything like the Apple Inc.? If no, search for additional information about two of the companies that appeared in the results.

| Ticker Symbol | Sec. Description |
|----------------------|-----------------------------------|
| AAPL | APPLE INC |
| APLE | APPLE HOSPITALITY REIT INC COM |
| APQ | APPLE INC BYRDS OPTS |
| MLP | MAUI LAND & PINEAPPLE COMPANY INC |

Next, explain that they will be learning how to read stock quotes. Distribute *Activity Sheet 1: Reading a Stock Quote Table*.

Master & Grand Master Levels

Review *Activity Sheet 1* to ensure that all students fully understand the stock tables. Have students work in their SMG teams analyze several stocks from one industry sector, using the stock tables only.

Ask your students:

1. What would they select and why?
2. Why is this incomplete information?
3. What else would they want to know about the stock?
4. The company?
5. The industry sector?

Assessment

Novice & Apprentice Levels

Have students create up to five rules for determining whether a particular stock is a good investment or not based on information available in its stock quote. They should provide the reasoning behind each of their rules.



FOUNDATION



Master & Grand Master Levels

Have students list several stocks they are considering for their portfolios, explain the performance of each and why each is a good investment.

Application

Novice & Apprentice Levels

Ask your SMG teams to choose one of the companies listed in the results of their search for "APPLE" to their portfolio. Teams should prepare a brief report on why it is a good investment.

Their report should answer:

- What services or products does the company provide?
- Do they own any subsidiaries?
- Who are their competitors? Name two.
- How does their stock performance compare against their competitors?

Master & Grand Master Levels

Have students develop a diversified portfolio and justify their purchases based on the information on the stock quote.

Enrichment Activities

Novice Level

Have students construct a bar graph that shows how the stock prices of three different companies in their SMG portfolios or they wish to buy has changed over a three-month period.

Apprentice Level

Have students compare two stocks in their SMG portfolios or that they wish to include in their portfolios to determine which has a higher percentage growth over a period of three months.



FOUNDATION



Master Level

Using the company news section in Investor Research of their team portfolio, have teams explain why a stock in their portfolio or that they wish to include in their portfolio moved in a certain direction over the past three months.

Grand Master Level

Using the company news section in Investor Research of their team portfolio, have teams explain why the industry sector for the majority of their portfolio investments moved in a certain direction over the past three months. For example, if a portfolio has shares in Dell, Apple, and IBM, the team should report on why stocks in the Technology sector are up or down.



FOUNDATION



Name:

Activity Sheet 1: Reading a Stock Quote

A stock quote provides you with pricing information. This information helps you determine whether a particular stock is a good investment or not. Different financial news and

research sites may organize their stock information differently, but will provide essentially the same information. The example below is taken from a NYSE stock quote.

| | | | |
|---|---|---|--|
| Company | | Symbol | |
| The name of the company. | | The company's stock/ticker symbol. | |
| Current Price | Price Change | Percent Price Change | |
| This is the current per share price of the stock. | This is the difference between the stock's current price and its last reported price. | This is the difference in price expressed as a percentage. | |
| Prev Close | | Day's Range | |
| The previous close is the stock's closing price on the previous trading day. | | The highest price and lowest price of the stock so far today. | |
| Open | | 52wk Range | |
| The first trade of stock today is its opening price. | | The highest price and lowest price of the stock so far over a 52 week period. | |
| Bid | | Volume | |
| An offer made to buy this stock. | | The total number of shares traded so far today. | |
| Ask | | Avg Vol (3M) | |
| The price at which a seller wants sell this company's stock. | | The average of the total number of shares traded in the past three months. | |
| 1y Target Est | | Market Cap | |
| The median target price as predicted by analysts covering the stock. | | The total current market value of all outstanding shares of a company. | |
| Beta | | P/E | |
| Beta measures volatility. A number less than 1 means less volatility and a number greater than 1 means more volatility. | | A company's closing price divided by its latest annual earnings per share. | |
| Next Earnings Date | | EPS | |
| The next time the company will report its earnings. | | EPS stands for Earnings Per Share. It is a company's profit or earnings divided equally among all the shares investors own. | |
| | | Div & Yield | |
| | | A dividend is a payment many companies make to its stockholders. Yield is the amount of cash that returns to stockholders. | |

Image Source: http://www.gstatic.com/hostedimg/5a718d09b2ff7eb0_large



FOUNDATION



Name: _____

Practice interpreting a stock quote. Use the stock quote function in your team portfolio or from one of the financial news sites to help you complete the stock table below for *The Hershey Company*.

Today's Date: _____

| | | | |
|---------------------------|---------------------|------------------------|-----------------------------|
| Company | | Symbol | |
| | | | |
| Current Price | Price Change | | Percent Price Change |
| | | | |
| Prev Close | | Day's Range | |
| | | | |
| Open | | 52wk Range | |
| | | | |
| Bid | | Volume | |
| | | | |
| Ask | | Avg Vol (3M) | |
| | | | |
| 1y Target Est | | Market Cap | |
| | | | |
| Beta | | P/E | |
| | | | |
| Next Earnings Date | | EPS | |
| | | | |
| | | Div & Yield | |
| | | | |



FOUNDATION



Name:

1. Is Hershey's stock performance better or worse than yesterday? How do you know?
2. Is Hershey's current stock price nearer to its yearly high or low? Would this be a good time to purchase the stock? Explain.
3. Does Hershey's pay a dividend? Yes / No
4. Which two pieces of information from the Hershey's quote would you consider the most important for people to find out before purchasing the stock of a company? Explain.
 - a. 1)
 - b. 2)
5. Would the same information be the most important information for people who already own stock in these companies? Explain.



FOUNDATION



invest it
▶ FORWARD

Trading The Stock Market Game™ Way

The screenshot shows a form titled "Enter a Trade" with a blue header. Below the header, there are three buttons: "Stock Trade", "Mutual Fund Trade", and "Bond Trade".

You may trade stocks, bonds, and mutual funds in The Stock Market Game (SMG). Stocks and mutual funds are traded the same way. To trade bonds in the SMG, refer to the SMG handout, *Buying Bonds the SMG Way*. This document only addresses how to make stock or mutual fund trades.

Instructions for making trades are also available in the Help section of the SMG portfolio's [Enter a Trade](#) page.

Buy or Sell, Short Sell or Short Cover?

There are four types of stock and mutual fund trades: Buy, Sell, Short Sell, and Short Cover. The latter two refer to a specific situation where an investor borrows stock from a brokerage company and sells it with the intention of buying it back at a lower price. Short Sell and Short Cover work together like Buy and Sell work together. To remove a Short Sell position from your portfolio you must Short Cover.

Search for Ticker Symbol, Search By Stock Description, Validate Ticker/ Get Details

If you think you know the company's symbol, enter it in the box and click **Search for Ticker Symbol**. If you are right, a pop-up will appear with a quote. If you are wrong, the pop-up will open with no information.

To find a company's ticker symbol, enter its name into the same box and click **Search By Stock Description**. A pop-up appears with a list of possible matches. Click the ticker symbol for the company you wish to trade. This will automatically enter its symbol into the box. Click **Validate Ticker/Get Details** to confirm it is the company you wish to trade.

The screenshot shows a form titled "Enter a Stock Trade" with a blue header. Below the header, there is a "Blocked Symbols" button. Underneath, there are four radio buttons: "Buy", "Sell", "Short Sell", and "Short Cover". Below these are three search options: "Search for Ticker Symbol", "Search By Stock Description", and "Validate Ticker/Get Details". There is a text input box for the search. Below the search box is an "Order Type" dropdown menu set to "Market". Below that is a "Number of Shares" text input box. Below that is a "Limit Price" text input box with a dashed line. At the bottom, there are two buttons: "Clear Values" and "Preview Trade".



FOUNDATION



Order Type: Market or Limit?

By default, your **Order Type** selection is *Market*. This means you want your trade executed regardless of the stock's price.

In a Buy order, choosing *Limit* means you want to specify the highest price you are willing to pay for the stock or mutual fund. In a Sell order, it is the lowest price you will accept to sell your stock or mutual fund. Enter your **Limit Price** as a decimal with no dollar sign. *Limit* orders expire at the end of the trading day.

Enter the **Number of Shares** you wish to trade. The minimum number of shares for a buy order is 10. There is no minimum number on sell orders.

Trade Order Preview

Action Buy
Ticker IBM
Company Name INTERNATIONAL BUSINESSMACHINES CORP
of Shares 100
Order Type Market Order
Limit Price -----

Re-enter your password to place this trade.

Are you sure you want to?

Click **Clear Values** to start over or click **Preview Trade** to confirm and submit your trade. Review your **Trade Order Preview** carefully. Trades cannot be undone. You are charged a broker's fee for each trade you make.

If the information is correct, enter your password and **Confirm Trade**. If it is not correct or if you change your mind, select **Edit Trade** to correct or update your trade.

Your transaction will not be processed until you click **Confirm Trade**. After you have confirmed your trade, a new screen appears with a **Trade Order Confirmation Number** and the option to view **Pending Transactions** or **Enter Another Trade**.



FOUNDATION



Why didn't the trade go through?

Not all trades are entered successfully. Visit your Transaction Notes page to figure out why a trade did not go through. These are some of the most common errors:

Account Margin Exceeded by: \$ - You did not have enough money for the trade, even if you borrowed the maximum.

Failed: Could not talk to portfolio system - System was unavailable for trading. Try again later.

Invalid Symbol or Price Feed System Down - If you get this message, you may have entered the ticker symbol incorrectly or part of the system may be down. Check the ticker symbol and re-enter the trade.

Not enough position for transaction - You are trying to enter a transaction to sell or short cover more of a security than you currently hold in your portfolio.

OMS control file error-INVREQ - The SMG system is down and could not process your order. Please try again later.

Order Price is Away From Market - You entered a limit price that was not met.

Order Rejected - You attempted to sell a stock that you did not own.

Order Canceled - You canceled the trade before the close of market, while it was still in *Pending Transactions*.

Possible duplicate order - You have just entered a duplicate order that would put your portfolio in an oversold long or over bought short position. The trade has been rejected.

Portfolio system unavailable, please try again later – The SMG system is unavailable for trading. Please try again later

Symbol is not defined in portfolio system - You have attempted to place a trade with a ticker symbol that is not in the portfolio database. Ask your teacher to contact your SMG Coordinator about it.

Security Not Found on Sec Mast Xref File and OSS Sec Mast - You attempted to trade a stock that was not in the system. Usually this means the stock is not listed on either the NASDAQ or the NYSE Euronext. If you receive this message and are sure the stock is traded, please have your teacher contact your local SMG Coordinator.

Symbol price is zero - You have either entered an incorrect ticker symbol or the system price data feed is not pricing the security.

This is a Possible Error - You will get this message if a system error occurred during processing. If you get this message, check *Account Holdings* the day after you entered the trade to see if it has been processed. If not, re-enter the trade.

Trade exceeds maximum percentage for equity - Your SMG Coordinator has implemented a *Maximum Percent Equity* rule. Please ask your teacher for the maximum amount of equity you are allowed to invest in a single company or fund.



FOUNDATION

