Unit 2: Stock Market Basics

Content Area: **Business Management and Information**
Course(s):
Time Period: **Marking Period 1**
Length: **4-5 weeks**
Status: **Published**

Summary

This course introduces students to the principles of investing and the ways individuals can build wealth responsibly over time. Students will explore a range of investment options, from stocks, bonds, and mutual funds to real estate, commodities, and digital assets, all while learning how to balance risk and reward through diversification and asset allocation. Through hands-on simulations and interactive activities, students will apply core concepts such as the time value of money, ethical investing, and fraud awareness to real-world financial decisions. By the end of the course, students will be able to analyze investment opportunities, understand market behavior, and make informed choices aligned with their financial goals and values.

This unit is part of the larger aforementioned course sequence and specifically focuses on the fundamentals of the stock market, where students will develop an understanding of how stocks are bought and sold and how investors participate in financial markets. By the end of this unit, students will be able to explain how the stock market works, distinguish between common and preferred stocks, identify the role of dividends and capital gains in generating investment returns, describe the functions of major stock exchanges such as the NYSE and NASDAQ, and compare the basic principles of fundamental and technical analysis used to evaluate stocks and make informed investment decisions.

Students in Business Management and Information Systems classes develop skills that are intended to give them a competitive advantage in the workplace. Through the study of core business topics and current events, this curriculum encourages students to refine their speaking and listening skills, collaborate with their peers, and explore and research potential career paths.

Revision Date: August 2026

Standards

9.1.12.FP.3: Relate the concept of delayed gratification (i.e., psychological distance) to meeting financial goals, investing and building wealth over time.

9.1.12.FP.7: Determine how multiple sources of objective, accurate and current financial information affect the prioritization of financial decisions (e.g., print information, prospectus, certified financial planners, internet, sales representatives, etc.)

9.1.12.PB.2: Prioritize financial decisions by considering alternatives and possible consequences.

9.1.12.RM.2: Identify types of investments appropriate for different objectives such as liquidity, income, and growth.

9.3.12.BM.1 Utilize mathematical concepts, skills and problem solving to obtain necessary information for decision-making in business.

9.3.12.FN.8 Describe and follow laws, regulations and ethical standards that affect finance operations and transactions.

9.3.12.FN.13 Manage a financial product or service mix in order to respond to market opportunities.

9.3.12.FN-SEC.1 Describe and follow laws and regulations to manage business operations and transactions in the securities and investments industry.

9.3.12.FN-SEC.2 Manage the use of financial resources to perform key duties in the securities and investments industry.

9.3.12.FN-SEC.3 Plan, monitor and manage day-to-day securities and investments operations.

9.3.12.FN-SEC.4 Utilize career-planning concepts, tools and strategies to explore, obtain and/or develop in a securities and investments career.

9.3.12.FN-SEC.5 Determine client needs and wants and respond through planned, personalized communication to guide purchase decisions and enhance future securities and investments opportunities

RI.CI.9–10.2. Determine one or more central ideas of an informational text and analyze how it is developed and refined over the course of a text, including how it emerges and is shaped by specific details; provide an objective summary of the text.

RI.MF.9–10.6. Analyze, integrate, and evaluate multiple interpretations (e.g., charts, graphs, diagrams, videos) of a single text or text/s presented in different formats (visually, quantitatively) as well as in words in order to address a question or solve a problem.

RI.AA.9–10.7. Describe and evaluate the argument and specific claims in an informational text, assessing whether the reasoning is valid and the evidence is relevant and sufficient; identify false statements and reasoning.

SL.PE.9–10.1. Initiate and participate effectively in a range of collaborative discussions (one-on-one, in groups, and teacher-led) with peers on grades 9–10 topics, texts, and issues, building on others' ideas and expressing their own clearly and persuasively.

A. Come to discussions prepared, having read and researched material under study; explicitly draw on that preparation by referring to evidence from texts and other research on the topic or issue to stimulate a thoughtful, well-reasoned exchange of ideas.

B. Collaborate with peers to set rules for discussions (e.g., informal consensus, taking votes on key issues, presentation of alternate views); develop clear goals and assessment criteria (e.g., student developed rubric) and assign individual roles as needed.

C. Propel conversations by posing and responding to questions that relate the current discussion to broader themes or larger ideas; actively incorporate others into the discussion; and clarify, verify, or challenge ideas and conclusions.

D. Respond thoughtfully to various perspectives, summarize points of agreement and disagreement, and justify own views. Make new connections in light of the evidence and reasoning presented.

SL.II.9–10.2. Integrate multiple sources of information presented in diverse media or formats (e.g., visually, quantitatively, qualitatively, orally) evaluating the credibility and accuracy of each source.

SL.PI.9–10.4. Present information, findings, and supporting evidence clearly, concisely, and logically. The content, organization, development, and style are appropriate to task, purpose, and audience.

SL.UM.9–10.5. Make strategic use of digital media (e.g., textual, graphical, audio, visual, and interactive elements) in presentations to enhance findings, reasoning, and evidence and to add interest.

In accordance with New Jersey's Chapter 32 Diversity and Inclusion Law, this unit includes instructional materials that highlight and promote diversity, including: economic diversity, equity, inclusion, and tolerance.

The standards in this unit reflect a developmental progression and make interdisciplinary connections across content areas including the humanities, technology, career readiness, cultural awareness, and global citizenship.

Essential Questions

Essential Questions:

- How do investors balance risk and reward to build sustainable, long-term wealth, and how do the mechanics of the stock market, different types of equities, and global stock exchanges influence individual investment returns?
- How can financial analysis, ethical decision-making, and fraud awareness protect and give a competitive advantage to an individual or business in the modern economy?

Enduring Understandings:

- Building sustainable, long-term wealth requires a careful balance of risk and reward, using diversification and asset allocation to protect personal savings from market volatility and economic downturns.
- The stock market operates as a regulated network where corporate ownership is traded, and an investor's overall return depends on the type of stock they own and the combined value of capital gains and dividends.
- Successful investing relies on using objective fundamental and technical analysis rather than emotion, while staying aware of fraud and regulations to safeguard personal assets.
- Developing strong financial literacy and researching market trends allows individuals to align their investments with their career path, giving them a competitive edge and driving lifelong financial independence.

Objectives

Students will know:

- Fundamental principles of supply and demand and how they cause stock prices to fluctuate daily based on investor behavior.
- Structural differences between common and preferred stocks, including how they impact voting rights and payout priority.
- Distinct methods of earning investment returns, specifically through recurring dividend payments and long-term capital gains.
- Mathematical impact of compounding and how reinvesting dividends and capital gains accelerates wealth accumulation over time.
- Operational roles of major stock exchanges, such as the New York Stock Exchange (NYSE) and NASDAQ, in the global economy.
- The regulatory mechanisms used by stock exchanges to ensure fair, transparent, and orderly trading for all investors.

- Primary characteristics of different stock categories, including growth, value, penny, and blue-chip stocks.
- Lifecycle of a stock, from a company's Initial Public Offering (IPO) to everyday trading on the secondary market.
- Basic factors that influence market demand, such as corporate earnings reports, economic news, and investor sentiment.
- Protective boundaries established by financial regulators to detect market manipulation and shield everyday investors from fraud.

Students will be skilled at:

- Explaining how the stock market works
- Identifying different types of stocks
- Comparing and contrasting common and preferred stocks
- Identifying the values of dividends and capital gains
- Calculating how dividends and capital gains grow wealth over time
- Knowing the different stocks exchanges
- Explaining how supply and demand drive stock prices up and down
- Describing how stock exchanges regulate trading

Learning Plan

This learning plan includes but is not limited to the following learning strategies:

- Common vs. Preferred Stock Comparison Chart: Students design a professional comparative matrix breaking down the structural and financial differences between common and preferred stocks. Using digital tools, they will map out key metrics like voting rights, dividend predictability, and payout priority during corporate liquidation. This task refines data organization skills by forcing students to simplify complex financial rules into a clean reference tool.
- Dividend and Capital Gain Calculation: This spreadsheet-based performance task tests a student's ability to track and calculate the exact cash flow and growth of an equity investment over time. Given a historical corporate ledger, students must use formulas to calculate yearly dividend yields, capital appreciation, and the cumulative total return. This project builds quantitative literacy and mirrors the everyday data management tasks of a corporate financial analyst.
- Stock Price Simulation and Reflection: Students participate in a virtual trading simulation to manage a cash portfolio and execute transactions based on real-time market activity. Alongside their transaction logs, students write a reflection report connecting their portfolio’s performance directly to broader

market behaviors. This develops critical thinking as students analyze how supply, demand, and current events drive stock price fluctuations.
- Stock Investment Scenario Analysis: Students analyze distinct case-study profiles representing clients with varied financial timelines, risk tolerances, and ethical investing values. They must evaluate each client's parameters and draft a formal advisory brief recommending a tailored mix of specific stock types and exchanges. This project builds client relations skills by challenging students to translate financial theories into customized business advice.
- Stock Market Concept Map: Students construct a visual concept map that demonstrates the lifecycle of a stock and illustrates how different financial entities connect within the ecosystem. The map must explicitly link and define the relationships between public corporations, primary markets, brokerages, stock exchanges, and regulatory bodies. This assessment builds systems thinking by forcing students to view the financial market as an interconnected infrastructure.
- Capital Gains and Dividends Math Case Study: A performance-based calculation task where students are given a hypothetical investment portfolio. They must compute total investment returns by accurately calculating quarterly dividend payouts and long-term capital gains over a five-year period.
- Current Events "Market Minute": Students research a recent major economic event affecting the stock market. They participate in a structured, collaborative classroom debate, practicing speaking and listening skills while evaluating how news impacts investor sentiment and stock prices.

Assessment

When taking a Business Management and Information Technology course, students demonstrate differentiated proficiency according to their ability to answer the essential questions through formative and summative assessments. Many of the performance tasks below can be implemented as formative and/or summative assessments. As teachers strive for students to demonstrate proficiency, they will need to create additional or alternative assessments based on demonstration or absence of skill.

Formative Assessments:

- Common vs. Preferred Stock Comparison Chart
- Dividend and Capital Gain Calculation
- Stock Price Simulation and Reflection
- Identifying types of stocks
- Stock Investment Scenario Analysis
- Stock Market Concept Map
- Capital Gains and Dividends Math Case Study
- Current Events "Market Minute"

Summative Assessments:

- Stock Market basics Quiz

- Stock Market Game

Alternative Assessments:

- Buy, Hold, Sell: Stock Analyst Challenge: Students will take on the role of a junior analyst for an investment firm. Their job is to evaluate real publicly traded companies and decide whether each stock should be categorized as: BUY (expected to grow in value), HOLD (stable but uncertain growth) or SELL (high risk or declining value).Their decisions must be based on research, not opinion or guessing . This will help them recognize how news events and investor psychology affect stock prices.

Materials

The design of this course allows for the integration of a variety of instructional, supplemental, and intervention materials that support student learners at all levels in the school and home environments. Associated web content and media sources are infused into the unit as applicable and available In addition to the materials below, the following link connects to district approved textbooks and resources utilized in this course: Core Book List.

The following are approved resources that teachers can include to further unit related objectives:

What is the stock market? (Next Gen Personal Finance)

How does the stock market work? - Oliver Elfenbaum (Ted-Ed- Video)

The Stock Market explained (Next Gen Personal Finance)

Understanding Stock Types: Common, Preferred, Blue-Chip, and More (Investopedia)
Preferred Stock vs. Common Stock | Chase (JP Morgan)

Why and How to Invest in Dividend-Paying Stocks (Charles Schwab)

Capital Gains vs. Dividend Income: Key Differences Explained (Investopedia)

Dividend Basics (Charles Schwab- Video)

Trends in the Stock Market (Ed Puzzle)

Capital Markets Happen Here (NYSE)

Any additional resources that are not included in this list will be presented to and reviewed by the supervisor before being included in lesson plans. This ensures resources are reviewed and vetted for relevance and appropriateness prior to implementation.

Integrated Accommodation and Modifications, Special Education students, English Language Learners, At-Risk students, Gifted and Talented students, Career Education, and those with 504s

This link includes content specific accommodations and modifications for all populations:

https://docs.google.com/spreadsheets/d/1g8M7CZ5VVwvFk2Ay9DZbjdewOYDyNOzpNeEBgSXPvr0/edit?usp=sharing

These additional strategies are helpful when learning Business Management and Information Systems content and skills:

- Highlighter for close reading and annotation strategies
- Bolded terms in directions
- Reading texts aloud for students to assist in comprehension and analysis
- Provide modeling (both visual and textual) for use of digital media, such as podcasting, video recording/editing, and creating a website.
- Providing opportunities for text-to-speech for written responses.