

# Unit 04: The Role of Stock as an Investment Alternative

Content Area: **Business**  
Course(s): **Investing**  
Time Period: **4 weeks**  
Length: **Weeks**  
Status: **Published**

## Unit Overview

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Students will analyze the role of stock as an investment alternative.

## Transfer

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Students will be able to independently use their learning to better set and achieve their own short- and long-term financial goals.

## Meaning

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## Understandings

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Students will understand...

- The characteristics and purposes of stock and stock ownership.
- The differences between common and preferred stock.
- Different stock classifications
- Basic theories of stock pricing.
- Strategies for buying and selling stock to achieve financial goals.
- The use of Return on Investment.
- The purposes of stock indexes.

## **Essential Questions**

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Students will keep considering...

- How can stock be used to help students achieve personal financial goals?
- What are the characteristics and purposes of stock and stock ownership?
- How do I differentiate between common and preferred stock?
- What are different stock classifications?
- How could I explain the basic theories of stock pricing?
- What are some strategies for buying and selling stock to achieve financial goals?
- How do I calculate and explain the use of Return on Investment?
- Do I understand the purposes of stock indexes?

## **Application of Knowledge and Skill**

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### **Students will know...**

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Students will know...

- The characteristics and purposes of stock and stock ownership.
- The differences between common and preferred stock.
- Different stock classifications
- Basic theories of stock pricing.
- Strategies for buying and selling stock to achieve financial goals.
- The use of Return on Investment.
- The purposes of stock indexes.

## **Students will be skilled at...**

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Students will be skilled at...

- Assess characteristics and purposes of stock and stock ownership.
- Differentiate between common and preferred stock.
- Compare stock classifications
- Analyze theories of stock pricing.
- Compare strategies for buying and selling stock to achieve financial goals.
- Calculate and apply the use of Return on Investment.
- Investigate the purposes of stock indexes.

## **Academic Vocabulary**

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Investing terms and concepts related to the role of stock as an investment alternative. i.e. investment alternative, stock, pricing, return on investment, stock indexes, etc.

## **Learning Goal 1**

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SWBAT: Analyze the role of stock as an investment alternative.

- SWBAT: Analyze the role of stock as an investment alternative.

PFL.9.1.12.A.3	Analyze the relationship between various careers and personal earning goals.
PFL.9.1.12.A.9	Analyze how personal and cultural values impact spending and other financial decisions.
PFL.9.1.12.B.1	Prioritize financial decisions by systematically considering alternatives and possible consequences.
PFL.9.1.12.B.6	Design and utilize a simulated budget to monitor progress of financial plans.
PFL.9.1.12.D.1	Calculate short- and long-term returns on various investments (e.g., stocks, bonds, mutual funds, IRAs, deferred pension plans, and so on).
PFL.9.1.12.D.2	Assess the impact of inflation on economic decisions and lifestyles.
PFL.9.1.12.D.3	Summarize how investing builds wealth and assists in meeting long- and short-term financial goals.
PFL.9.1.12.D.5	Justify the use of savings and investment options to meet targeted goals.
PFL.9.1.12.D.6	Analyze processes and vehicles for buying and selling investments.
PFL.9.1.12.D.7	Explain the risk, return, and liquidity of various savings and investment alternatives.

PFL.9.1.12.D.9	Relate savings and investment results to achievement of financial goals.
PFL.9.1.12.D.10	Differentiate among various investment products and savings vehicles and how to use them most effectively.
PFL.9.1.12.D.11	Assess the role of revenue-generating assets as mechanisms for accruing and managing wealth.
PFL.9.1.12.D.13	Determine the impact of various market events on stock market prices and on other savings and investments.
PFL.9.1.12.D.15	Analyze how savings, retirement plans, and other investment options help to shift current income for purposes of tax reporting and filing.
PFL.9.1.12.E.2	Analyze and apply multiple sources of financial information when prioritizing financial decisions.
PFL.9.1.12.E.3	Determine how objective, accurate, and current financial information affects the prioritization of financial decisions.
CAEP.9.2.12.C.9	Analyze the correlation between personal and financial behavior and employability.

### **Target 1**

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SWBAT: Assess characteristics and purposes of stock and stock ownership.

- SWBAT: Assess characteristics and purposes of stock and stock ownership.

### **Target 2**

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SWBAT: Differentiate between common and preferred stock.

- SWBAT: Differentiate between common and preferred stock.

### **Target 3**

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SWBAT: Compare stock classifications.

- SWBAT: Compare stock classifications.

### **Target 4**

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SWBAT: Analyze theories of stock pricing.

- SWBAT: Analyze theories of stock pricing.

### **Target 5**

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SWBAT: Compare strategies for buying and selling stock to achieve financial goals.

- SWBAT: Compare strategies for buying and selling stock to achieve financial goals.

## **Target 6**

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SWBAT: Calculate and apply the use of Return on Investment.

- SWBAT: Calculate and apply the use of Return on Investment.

## **Target 7**

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SWBAT: Investigate the purposes of stock indexes.

- SWBAT: Investigate the purposes of stock indexes.

## **Summative Assessment**

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- Unit Test

## **Formative Assessment and Performance Opportunities**

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- Class Discussion
- Completion of Vocab
- Presentation of Ideas
- Review of worksheets/projects
- Teacher Observation
- Use of technological resources for quick assessment

## **Accommodations/Modifications**

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- Collaborate in small groups organized by student level and preference to apply the role of stock as an investment alternative
- Extra problems for extra practice remediation and/or enrichment
- Quizlet

## **Unit Resources**

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- Board Games
- Book Companion Website

- Chapter PowerPoints
- DECA Role Plays
- Desktop Computer
- Document Camera
- Guest Speakers
- Managing Your Personal Finances 6E
- Microsoft Excel
- Videos
- Wall Street Journal & other business publications
- Workbook

## **Interdisciplinary Connections**

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MA.K-12.1	Make sense of problems and persevere in solving them.
LA.RH.11-12.7	Integrate and evaluate multiple sources of information presented in diverse formats and media (e.g., visually, quantitatively, qualitatively, as well as in words) in order to address a question or solve a problem.
MA.S-IC.B.6	Evaluate reports based on data.
LA.RST.11-12.9	Synthesize information from a range of sources (e.g., texts, experiments, simulations) into a coherent understanding of a process, phenomenon, or concept, resolving conflicting information when possible.