**Stock Investment Instructions**

Students will be introduced to investment in equities (stocks) and use an Excel Spreadsheet to track their progress. A partially prepared template is provided to use for this practicum.

Copy the template to the desktop for students to open and immediately copy and save as to their individual copy using their name and banking investment portfolio. Ex: John Smith Banking Portfolio and save into their documents folder for use. In that way, the formulas of the template are intact and can be referred to if necessary.

The funding is set to $25,000 initial investment in their money market account. Any stock purchase subtracts from that balance. It is the first line of the data on the form.

The trade fee is set to $12.00 for buying or selling. If you want to change either the initial funding or the trade by trade fee, you may do so. Hover over individual cells to determine which have formulas and caution students to avoid blanking those cells.

Students will only buy or sell in even lots. That is buying and selling in multiples of 100 shares. You will notice that Google is 50, but it is fairly unique as an expensive stock in that it trades routinely in half lots (50) due to high cost, but most stocks will almost always be in lots of 100, 200, 300, etc. Introduce the term of odd lot investing. If it is an unfamiliar term – research and instruct the students on what constitutes odd lot investing and why investors don’t typically do so.

Notice that the form has a spot for the date of the transaction, the name of the stock, the stock symbol, a B for buy, a S for sell, the number of shares being either bought or sold, and the next is the per share cost basis at the time of the action. Current quote will be the same as the bought price when you buy it. That price will change whenever you check for the current price. Do not change the initial price. That is the purchase cost basis, change the current quote to determine if you have made money or not. When selling the stock, notice on the template that you enter a negative number. This is to liquidate the stock asset back into cash and into your money market top line.

You may decide to use one of the software programs available on-line. One of the better ones is The Stock Market Game <http://www.stockmarketgame.org/>

Suggest that students use MSN Money to get stock quotes and to monitor and update their portfolios. Students should print current price information on whatever they decide to buy or sell as their evidence of price.