Unit 5, Lesson 17

The Stock Market

Let's learn about the stock market.

17.1 Revisiting Interest and Depreciation

1. Lin deposited $300 in a savings account that has a 2% interest rate per year. How much is in her account after 1 year? After 2 years?

2. Diego wants to sell his bicycle. It cost $150 when he bought it but has depreciated by 15%. How much should he sell it for?

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17.2 Gains and Losses

1. Here is some information from the stock market in September 2016. Complete the table.

company	value on day 1 (dollars)	value on day 2 (dollars)	change in value (dollars)	change in value as a percentage of day 1 value
mobile tech company	107.95	111.77	3.82	3.54%
electrical appliance company		114.03	2.43	
oil corporation	26.14			-3.83%
department store company	7.38	7.17		
jewelry company		70.30		2.27%

2. Which company's change in dollars had the largest magnitude?

3. Which company's change in percentage had the largest magnitude?

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17.3 What Is a Stock Portfolio?

One way to invest money in the stock market is to create a portfolio, or a collection of different stocks. That way, if one stock decreases in value, the portfolio won't lose all of its value at once.

1. Here is an example of someone's stock portfolio. Complete the table to show the total value of each investment.

company	price (dollars)	number of shares	total value (dollars)
technology company	107.75	98	
airline company	133.54	27	
film company	95.95	135	
sports clothing company	58.96	100	

2. Here is the same portfolio the next year. Complete the table to show the new total value of each investment.

company	old price (dollars)	price change	new price (dollars)	number of shares	total value (dollars)
technology company	107.75	+2.43%		98	
airline company	133.54	-7.67%		27	
film company	95.95		87.58	135	
sports clothing company	58.96	-5.56%		100	

3. Did the entire portfolio increase or decrease in value over the year?

17.4 Your Own Stock Portfolio

Your teacher will give you a list of stocks. The price shown for each stock is the cost of 1 share.

1. Select a combination of stocks with a total value close to, but no more than, $100. List the stock, the number of shares, and the total cost.
   Pause here for a class discussion.

2. Using the new list, how did the total value of your selected stocks change? Explain your reasoning.

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