Introduction to Business – BSAD B20
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Fall Semester – 2006
BUSINESS EDUCATION DEPARTMENT

Oral and Written Report from the Wall Street Journal

You are responsible for providing both an oral and written reports by watching the stock market and reading the Wall Street Journal.

In this assignment you are given $5,000 (make believe money) to invest in the stock market.

You may select any stock that is traded on the American Stock Exchange (AMEX), the New York Stock Exchange (NYSE) or the National Association of Securities Dealers Automated Quotations (NASDAQ).

1. You are to select three (3) stocks of your choice (from the Wall Street Journal).
2. You will watch how the stock fluctuates on a weekly basis to present the facts on how the stock is doing.
3. The commission fee for each of your initial purchases is $30.00.
4. You will begin the week of September 11, 2006 and track your stock performance until the week ending November 17, 2006. This is for a ten week period.
5. You must sell all of your stock by November 18, 2006.

Oral Presentation:

You will do a five-ten minute oral report on the selection of your stock. Address the following questions:

- Name the three (3) company stocks, and what the companies are known for?
- Tell the class how much you invested in each stock?
- Why did you select the three (3) companies?
- What exchange did you watch your stock on i.e., AMEX, NYSE or NASDAQ?
- What was the final outcome (profit or loss) of your stocks in the market on 2006?
• What if anything would you have done differently?
• What did you learn from the process?
• Do you believe you will purchase stock in the future?

Written Report:

The written report will be a minimum of five typed pages, double spaced. Please use charts and graphs to show how your stock did in the market each week. In your report, you will provide:

• The names of your stocks and background information regarding the company you selected. What does the company do?
• You will provide graphs that show the highs and lows of the stock you purchased.
• Identify the ticker symbol of your stock (common or preferred stock).
• Did the stock provide dividends, if so how much?
• Compare all three stocks and determine which stock did best.
• Graph and chart the stocks and the final outcome.
• Share which did the best and in your opinion why?
• Describe what you learned from watching the market on a weekly basis.
• How much money did you gain or lose in the market?
• What was the final profit or loss from the $5,000 you were given.

**HOW TO READ A STOCK TABLE/QUOTE**

<table>
<thead>
<tr>
<th>Column 1</th>
<th>Column 2</th>
<th>Column 3</th>
<th>Column 4</th>
<th>Column 5</th>
<th>Column 6</th>
<th>Column 7</th>
<th>Column 8</th>
<th>Column 9</th>
<th>Column 10</th>
<th>Column 11</th>
<th>Column 12</th>
</tr>
</thead>
<tbody>
<tr>
<td>52W Hi</td>
<td>52W Low</td>
<td>Stock</td>
<td>Ticker</td>
<td>Div</td>
<td>Yield %</td>
<td>P/E</td>
<td>Vol 0b</td>
<td>High</td>
<td>Low</td>
<td>Close</td>
<td>Net Chg</td>
</tr>
<tr>
<td>$45.39</td>
<td>19.75</td>
<td>ResMed</td>
<td>RMD</td>
<td>52.5</td>
<td>38.31</td>
<td>42.00</td>
<td>39.51</td>
<td>41.50</td>
<td>-1.90</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11.63</td>
<td>3.55</td>
<td>Revlon A</td>
<td>REV</td>
<td>62.09</td>
<td>5.90</td>
<td>6.09</td>
<td>6.09</td>
<td>0.12</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>57.25</td>
<td>55.13</td>
<td>RioTinto</td>
<td>RTP</td>
<td>2.30</td>
<td>3.2</td>
<td>168</td>
<td>72.75</td>
<td>71.84</td>
<td>72.74</td>
<td>+0.03</td>
<td></td>
</tr>
<tr>
<td>31.31</td>
<td>16.60</td>
<td>RitchieBr</td>
<td>RBA</td>
<td>20.9</td>
<td>15</td>
<td>24.49</td>
<td>24.29</td>
<td>24.49</td>
<td>-0.01</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8.44</td>
<td>1.75</td>
<td>RiteAid</td>
<td>RAD</td>
<td>31028</td>
<td>4.50</td>
<td>4.20</td>
<td>4.31</td>
<td>+0.21</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$38.63</td>
<td>18.81</td>
<td>RobitSol</td>
<td>RH</td>
<td>26.5</td>
<td>6517</td>
<td>27.15</td>
<td>26.50</td>
<td>26.50</td>
<td>+0.14</td>
<td></td>
<td></td>
</tr>
<tr>
<td>51.25</td>
<td>27.69</td>
<td>Rockwell</td>
<td>ROK</td>
<td>1.02</td>
<td>2.1</td>
<td>14.5</td>
<td>6412</td>
<td>47.99</td>
<td>47.00</td>
<td>47.54</td>
<td></td>
</tr>
</tbody>
</table>

**Columns 1 & 2: 52-Week Hi and Low** - These are the highest and lowest prices at which a stock has traded over the previous 52 weeks (one year). This typically does not include the previous day’s trading.

**Column 3: Company Name & Type of Stock** - This column lists the name of the company. If there are no special symbols or letters following the name, it is common stock. Different symbols imply different classes of shares. For example, “pf” means the shares are preferred stock.

**Column 4: Ticker Symbol** - This is the unique alphabetic name which identifies the stock. If you watch financial TV, you have seen the ticker tape move across the screen, quoting the latest prices alongside this symbol. If you are looking for stock quotes online, you always search for a company by the ticker symbol.
Column 5: Dividend Per Share - This indicates the annual dividend payment per share. If this space is blank, the company does not currently pay out dividends.

Column 6: Dividend Yield - This states the percentage return on the dividend, calculated as annual dividends per share divided by price per share.

Column 7: Price/Earnings Ratio - This is calculated by dividing the current stock price by earnings per share from the last four quarters.

Column 8: Trading Volume - This figure shows the total number of shares traded for the day, listed in hundreds. To get the actual number traded, add "00" to the end of the number listed.

Column 9 & 10: Day High & Low - This indicates the price range at which the stock has traded throughout the day. In other words, these are the maximum and the minimum prices that people have paid for the stock.

Column 11: Close - The close is the last trading price recorded when the market closed on the day. If the closing price is up or down more than 5% than the previous day's close, the entire listing for that stock is bold-faced. Keep in mind, you are not guaranteed to get this price if you buy the stock the next day because the price is constantly changing (even after the exchange is closed for the day). The close is merely an indicator of past performance and except in extreme circumstances serves as a ballpark of what you should expect to pay.

Column 12: Net Change - This is the dollar value change in the stock price from the previous day's closing price. When you hear about a stock being "up for the day," it means the net change was positive.

You will be given two (2) grades for this assignment. One grade for your oral report and one grade for your written report. Please proofread your written report carefully, and make sure that the information is correct. False, missing or inaccurate information will affect your grade.
EXAMPLE TO CALCULATE STOCK DIVIDENDS

<table>
<thead>
<tr>
<th>Name of Stock</th>
<th>Cost per share</th>
<th>Dividend</th>
<th>Shares Purchased</th>
</tr>
</thead>
<tbody>
<tr>
<td>Procter &amp; Gamble</td>
<td>$59.84</td>
<td>$1.12</td>
<td>60</td>
</tr>
</tbody>
</table>

Note: The cost of stock and dividend will be on the last date (November 18, 2006) you sell the stock.

Multiply the cost per share by number of shares purchased:

\[
\begin{align*}
$59.84 \\
\times 60 \\
\hline
$3,590.40 = \text{Total cost of stock}
\end{align*}
\]

Multiply the dividend by the number of shares:

\[
\begin{align*}
$1.12 \\
\times 60 \\
\hline
$67.20 = \text{Total dividends received}
\end{align*}
\]

To get your total cost you will add total stock and total dividends:

\[
\begin{align*}
$3,590.40 \\
+ \quad 67.20 \\
\hline
$3,657.60 = \text{This is what you received on your purchase of stock.}
\end{align*}
\]