

Dear Educator,

Welcome to Marketeach! Here is the sample lesson plan that you requested be sent to you. The next page is a summary of the entire set of lesson plans.

We at Marketocracy created this program to allow teachers to easily incorporate the subject of investing into the class schedule. Teachers find that Marketeach facilitates student learning by providing both in-class materials and a website to give the students realistic practice in the investing world. And teachers also recognize that there is nowhere else where they can find a program that offers both teaching materials developed by teachers, and a simulated stock market website, for free.

Marketeach will take your students through the world of investing from the very basics of defining stock, through to calculations involving stock transactions, and finally to trading in a virtual portfolio on the website. By the end of the program, your students will be able to navigate their way through stock market terminology and analyze their very own investment portfolios.

One of the accommodating characteristics of the Marketeach program is that it fits right in with any class's schedule. We have designed the program to meet educational standards across many disciplines, and have even formatted worksheets and articles after national achievement tests. The program provides a comprehensive curriculum, thorough teacher development materials, and strong, hands-on support from our staff here at Marketocracy.

The full set of lesson plans can be sent to you for free via email attachment or via US mail in CD format. Simply send us the following info (if the question does not apply to you, mark N/A):

- Teacher Name:
- Class size:
- School name:
- School address:
- How/where do you plan to use this material (as in, augmenting your child's or students' economics curriculum, etc)?
- Do you prefer to receive the lesson plans via a CD or via email?
- If via a CD, what is your mailing address?
- If via email, what is the email address that you wish it be sent to? .

This information will allow us to get insight and feedback into who is gaining the most from our program as well as how we may best improve it.

You can mail the registration form to: Marketeach
881 Fremont Ave, Suite B2
Los Altos, CA. 94024

Or you can email the answers to the questions on the registration form to:
education@marketocracy.com

We look forward to hearing from you,

Alex Oliver
Educational Director
Marketocracy, Inc.

Marketeach 5th-6th Grade Lesson Plan Summary

Each lesson plan set contains:

-*Stock Market Handbook*: Contains definitions and explanations of general stock market vocabulary, an overview of a common stock transaction and description of each action's significance, and stock market FAQ. Designed to help the teacher better understand the subject matter.

-*Website Handbook*: Designed to help you navigate through the website in order for you to take advantage of all the features we have created.

-*Lesson 1, What to do with \$100*: Designed to grab the students' interest by bringing up the exciting scenario of having \$100 to use however they want. Students should finish the lesson with a curiosity for how investing works.

-*Lesson 2, What companies are in the stock market*: Contains activities that should help students identify the companies that they see everyday and relate those companies to the stock market.

-*Lesson 3, Company Preferences*: Lets students express their opinions about some of the companies they talked about previously, and begin to learn the type of questions investors face, such as "Do I like the company? And do others like it?"

-*Lesson 4, What is a stock*: Uses a tangible example, a donut shop, to illustrate why a company would issue stock, and why someone else would want to buy it.

-*Lesson 5, Why do stock prices change*: Gives students an exercise in forecasting a stock's price performance based on key pieces of news. Students will begin to understand what types of news will help or hurt investments.

-*Lesson 6, Learning stock market math*: Designed to give the students an idea of what it is that investors calculate before they buy a stock. Even with today's technology, every investor should understand how to calculate his/her trades.

-*Lesson 7, Calculating investments for the class portfolio*: Draws on the math skills learned in lesson 6 and challenges the students to learn how to make the decisions to properly allocate assets among chosen stocks. They will collectively decide how to allocate \$1 million virtual dollars.

-*Lesson 8, Setting up the class portfolio*: Gives the student an introduction to what investing via the Internet is like by using the stock market simulation provided by the Marketocracy website(www.marketocracy.com). Teachers will use the students' picks in the class portfolio.

-*Lesson 9, Checking the progress of the class portfolio*: Designed to show the students how to check their investment performance and show them the returns of their stock picks.

-*Lesson 10, Review and writing*: A recap of the course by going over Class Vocabulary and concepts learned in each lesson. Students will also write paragraphs on why the stock market is important.

-Also: *Articles, reading comprehension sheets, a vocabulary sheet, math worksheets, and teacher answer keys.*

What to do with \$100

Overview: This lesson is designed to grab the students' interest by bringing up the exciting scenario of having \$100 to use however they want. It is important to involve the students in an interesting discussion of all of the possibilities available to them. The idea of investing may be foreign to the students, and so it will be important to highlight the benefits. Students should finish the lesson with a curiosity for how investing works.

Time Breakdown: You should spend the initial 5-10 minutes setting up the scenario "If you found \$100". Of the remaining class time, use 15 minutes to fill out the "present day" portion of overhead 1A, and another 15 minutes filling out the "future value" portion of the overhead. Use the final 10-15 minutes having the students read the "Successful Student Investor" article.

Materials needed:

Overhead Grid 1A
Successful Student Investor Article
Class Vocabulary Sheet

Notes: Before beginning the lesson, the teacher should emphasize that the class is beginning a program or contest that will allow them the chance to win prizes. Rules change from semester to semester, but the students can expect to win anything from pens and stickers, to class pizza parties. This should be a good incentive for the students to get excited about the program.

Aside from reading the Stock Market and Website handbooks, the teacher should also sign-up as a member to the site and start a portfolio a few days before beginning instruction. This will allow him/her to be proficient in navigating around the site before using it in the classroom.

Be sure that before this and every other lesson, the students have their Class Vocabulary Sheet out and ready to fill in. The students should fill in the definitions during class as the teacher guides them through the lesson. Notice that the terms italicized in the lessons correspond to those terms found on the Class Vocabulary Sheet.



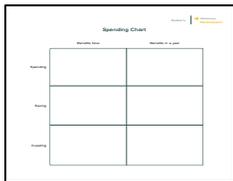
You Found &100

Background: Often children dream about finding a lost \$100 bill. There are many possibilities for using the money. This lesson is designed to help the students analyze their decisions on how to use their \$100. The creative brainstorming should serve as the “hook” for the Marketeatch program.

Synopsis: In this activity the teacher leads a discussion on different things to do with an unexpected \$100. The options include spending, donating, saving and buying stock. The goal will be to demonstrate to students the merits of investing versus other uses.

Lesson:

1. Present to students the situation that they have been given \$100 (found on street, birthday gift, other). If found on the street, they are sure that the \$100 dollars has been sitting there for days and they have no idea whose it is. Since there is no hope of returning it to the owner, the finder now gets to keep the \$100. What will he/she do with it?
2. Share overhead 1A. The students should have determined that they could spend the money, and maybe even save the money. But did they think of *investing* it?
 - Some students may suggest donating the money to charity. Though we acknowledge the value of donating to charity, we also know that it is very tough to quantify for this exercise. Explain that this activity will therefore only deal with spending, saving, or investing
3. Given these options, what outcomes can the students determine? The chart is designed to show what the possibilities for spending, saving, and investing will be both now and in the future.
4. In somewhat of a democratic fashion, decide what the students would buy with the money. We might expect students to pick CD's, video games, or clothes. Record this in the appropriate row.
5. With teacher explanation, fill in row two with “investing in a savings account”. Explain the advantages of the 5% *interest* they will earn. At this interest rate, they will have \$105 at end of the year.
 - *Interest:* The money paid by a bank to its customer for depositing his/her money.
6. While explaining the concept of investing, fill in row three with “buying *stock*”. Add the name of the company: McDonald's. Be certain to put a question mark for expected *return*, as we are never sure what our investments will do in the future.
 - Note: The students will be learning exactly what a stock is in future lessons. For now, let them know that investing in a company's stock is just another way of saying that they are giving money to the company, who will use it to earn more money to give extra back to you. The whole idea of investing will slowly become less of a mystery as the lessons progress.
7. After completing column one, present the following question: What will any of these uses of the \$100 be worth in one year? In the ensuing discussion, children will most likely conclude that they don't play the CD's or the video games anymore, and the clothes don't fit. Record these findings in the first row, second column of the overhead. In the savings account there is now \$105. Record this in the second row, second column. The McDonald's stock is now worth \$250. This may or may not be impressive to the students. It is really up to the teacher to get across the point that a \$150 return on this investment is very good. Record this in the third row, second column.
8. Hopefully by now the students are intrigued by the idea of buying stock. With this background you can introduce the “Successful Student Investor” article, detailing the story of a student who earns enough money in the *stock market* to buy her first car when she turns 16 years old.



	Spending Now	Spending in a Year
Spending		
Saving		
Investing		

Overhead 1a

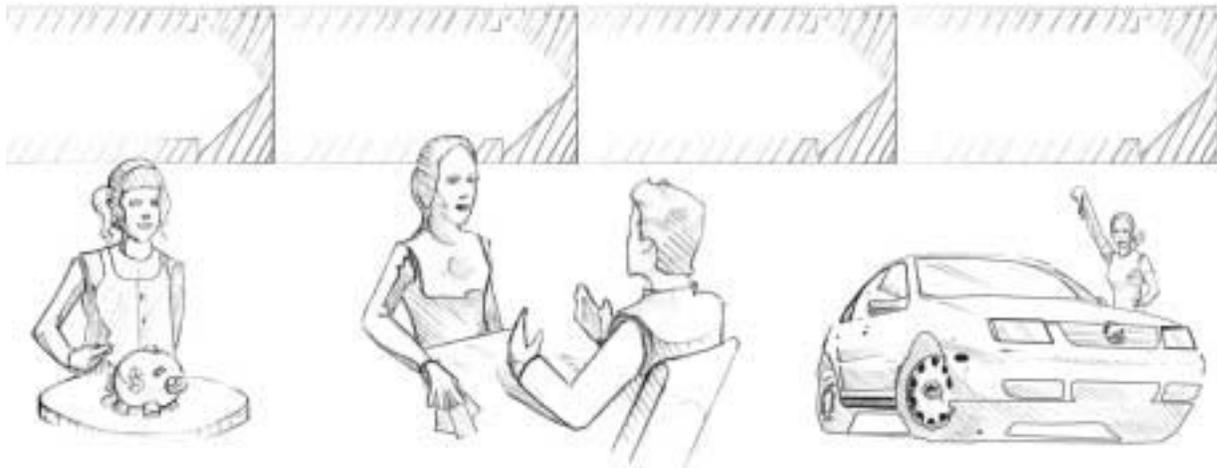
Successful Student Investor

What do you do with your allowance, or other money that you get working odd jobs or receive as gifts? A lot of kids your age buy candy, video games, posters, and CDs. There is nothing wrong with enjoying these things, but will you still like them after a couple of years? You would have already eaten all the candy and the posters on your wall might be of people who are no longer popular. You would have already beaten the video games and the CDs would be old music by then. What if you had saved and invested the money instead?

That's exactly what Katie Etherby of Texas began to do when she was in 4th grade. She took her \$5 per week allowance and put it in a bank account. By the end of one year, she had saved \$260! The bank also paid her \$13 of interest, which is money paid to bank customers just for saving their money all year. This gave her a total of \$273. Katie was so excited that she continued to save throughout elementary school and junior high. By the time Katie was in 8th grade, she had already saved over \$1,000!

In the 8th grade, her parents helped her open an investment account that she could use to buy stocks. With the help of a stockbroker and her parents, Katie picked her favorite companies and bought their stock. Every week, she watched as some of her stocks' prices climbed, earning her more money along the way.

After two more years of investing in the stock market, Katie had accumulated \$10,000. Her father went with her to the local car dealer and they used Katie's money to buy a Volkswagen Jetta. She was able to pay for the car with the money that she had earned from the stock market. The next week, Katie passed her driver's education class and received her driver's license. "Investing in the stock market has been very rewarding," says Katie. "I was able to buy myself a car, and now my friends and I can drive to the movies, the mall, or anywhere else we want."



Vocabulary Sheet

Name: _____

Date: _____

Class Vocabulary Sheet

1. *Invest:*
2. *Interest:*
3. *Stock:*
4. *Return:*
5. *Stock Market:*
6. *Stock quote:*
7. *Brand:*
8. *Company:*
9. *Wall Street:*
10. *Shares:*
11. *Profit:*
12. *Stock Price:*
13. *Allocate:*
14. *Price per share:*
15. *Portfolio:*
16. *Transaction:*
17. *Stock Broker:*
18. *Shareholder:*



Class Vocabulary Sheet

1. **Invest:** To use money to make more money.
2. **Interest:** The price paid for borrowing money. A bank will pay you interest for any deposit you make because they are borrowing your money to invest.
3. **Stock:** Ownership of a company. The pieces of ownership are known as “shares of stock.”
4. **Return:** The change in value of a stock or portfolio.
5. **Stock Market:** The place where stocks are traded.
6. **Stock quote:** The most recent price of a stock.
7. **Brand:** The name or identity of a specific type of product or service provided by a company.
8. **Company:** Another name for a business that produces some type of product or service.
9. **Wall Street:** Location in New York City that is home to a large number of the companies in the financial industry.
10. **Shares:** Certificates of partial ownership in a company.
11. **Profit:** Money that is made by companies. (Note: technical definition is revenue minus cost)
12. **Stock Price:** The cost of buying one share of stock in the stock market.
13. **Allocate:** To divide something among multiple things or people. In the stock market, it is to divide money to invest in multiple stocks.
14. **Price per share:** Same as Stock Price. It is the cost of each share of stock bought.
15. **Portfolio:** A collection of things. In this case, a portfolio is a collection of stocks or investments.
16. **Transaction:** A business deal that has been completed. In this case, buying and selling stocks are both considered transactions.
17. **Stock Broker:** A person employed by a brokerage house that advises clients in money management and investing.
18. **Shareholder:** The person who owns shares of a particular company. Also known as an “investor.”

Spending Chart

Benefits Now

Benefits in a year

Spending

Saving

Investing
