



THE STOCK MARKET GAME™

***SMG WORLDWIDE CORRELATION
TO THE TEXAS ESSENTIAL KNOWLEDGE AND SKILLS
INTRODUCTION TO BUSINESS***

**Texas Council
on
Economic Education**



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The Stock Market Game™ (SMG WORLDWIDE), is an educational program of the Securities Industry for Economic Education. It is offered regionally by the Texas Council on Economic Education and the Newspaper in Education Program of *The Dallas Morning News*.

The SMG is an internet-based investment simulation offered each fall and spring. Teams of 3-5 students begin their trading session with a hypothetical \$100,000. They research companies, study why the stock market rises and falls, follow current events, manage the money in their investment budget and make decisions about the purchase and sale of stock. The program has helped over six million students nationwide learn about financial issues and the American economic system.

The Stock Market Game provides business teachers an interesting and real life application that will broaden student understanding of the role of business and investing in the free enterprise system, while using computer and Internet skills in a practical and meaningful way. It also provides an opportunity to investigate careers in the field of investing. SMG Worldwide supports student development in the areas of problem solving and decision making.

The following document correlates the Stock Market Game with the Texas Essential Knowledge and Skills (TEKS) student expectations for Introduction to Business. It illustrates how the SMG program can be used to teach and reinforce state required skills. Curriculum resources and suggested lessons are included.

Special thanks to Paul Phlieger, a business teacher at Ford High School, Quinlan ISD, for his work in preparing this document. His original contributions, as well as adaptations from the SMG WORLDWIDE Correlation to National Council on Economic Education Voluntary, provide a valuable tool for business teachers across the state of Texas.

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**For more information on the Stock Market Game
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① The student explains the economic process and relates the process to the development of an economic system. The student is expected to:

- A. determine the role of wants and needs;
- B. define economic roles;
- C. differentiate among the types of economic resources.

SMG WORLDWIDE Connections:

Students will:

- 1. target companies that produce goods/services they need and want.
- 2. determine the types of economic resources used by these companies.
- 3. understand that investing in human, natural and capital resources promotes economic growth.
- 4. understand the important role an investor in the stock market plays in the economic growth of the United States.
- 5. understand how the stock market redirects resources from savers/investors to businesses.
- 6. conclude that because of limited resources, they must decide which stocks to buy/sell in the Stock Market Game.

Curriculum Resource

Learning from the Market: Lessons 1, 2, 11, 12, 15, 17, 18, 19, 20

② The student differentiates between the types of economic systems with emphasis on the private enterprise system and the United States economy. The student is expected to:

- A. compare the types of economic systems;
- B. identify business cycles;
- C. explain the characteristics of the free enterprise system;
- D. summarize how economic decisions are made.

SMG WORLDWIDE Connections:

Students will:

- 1. understand how securities markets play an important role in the free enterprise system by bringing together buyers and sellers.
- 2. understand that the price of stock is determined by supply and demand.
- 3. learn that some businesses can raise capital for expansion through the sale of stock.
- 4. understand the role of business cycles in predicting stock performance.
- 5. make daily and weekly decisions related to their portfolio creation based on the current economic conditions.

6. research companies using selected criteria when making decisions regarding purchase of stock.
7. perform a cost-benefit analysis when buying and selling stock.
8. manage the SMG investment portfolio to result in a high level of profit.
9. set team-oriented long-term and short-term investment goals based on economic research.

Curriculum Resource

Learning from the Market: Lessons 4, 5, 6, 7, 8, 12, 15, 17, 18, 19, 20, 21, 22, 23

③ The student researches consumer issues and determines financial implications for the individual. The student is expected to:

- A. prepare and maintain a personal budget;
- B. interpret and explain the rights and responsibilities of the consumer;
- C. research and present major financial issues for the individual – for example, money management, banking system and services, saving and investing, credit, taxes and paychecks;
- D. demonstrate understanding of buying decisions for housing, food, transportation, medical and health, and different types of insurance.

SMG WORLDWIDE Connections:

Students will:

1. create and maintain a SMG team and/or personal investment budget throughout the SMG.
2. evaluate their teams' investment decisions to determine how and why money was gained or lost.
3. identify how they might change their investment strategy in the future to improve results.
4. develop a final SMG presentation that can include graphs, research and weekly portfolios that summarize their team decisions and performance. Presentations can be turned in as a folder, an oral report with strong visual aids, shared with the class as a multimedia presentation (PowerPoint), or published on a web page.

Curriculum Resource

Learning from the Market: Lessons 7, 8, 9, 12, 15, 21, 22

4 The student analyzes employment characteristics necessary for the workplace. The student is expected to:

- A. assess the job market and employment and entrepreneurial opportunities;
- B. compare a variety of workplaces.

SMG WORLDWIDE Connections:

Students will:

1. discuss employment opportunities and take a broad look at the current job market in the investment field.
2. discuss jobs opportunities vs. career opportunities in the investment field.
3. compare a variety of employment factors such as pay, benefits, work atmosphere and responsibilities.
4. understand how knowledge of investing will be helpful when selecting options related to 401K /pension benefits.
5. connect research on careers and companies to possible SMG investments.

Curriculum Resource

Learning from the Market: Lesson 15

5 The student analyzes career opportunities and formulates a career plan. The student is expected to:

- A. analyze individual goals and values;
- B. determine individual talents, abilities and skills;
- C. develop an individual career plan.

SMG WORLDWIDE Connections:

Students will:

1. assess their goals and values, and how they will affect their job, career and future investments.
2. evaluate investment opportunities based on the current job market.
3. analyze their talents and abilities as they relate to a career in the investment field.

Curriculum Resource

Learning from the Market: Lessons 10, 12, 15

6 The student describes different types of technology and explains the role of technology in business settings. The student is expected to:

- A. outline the role of computers in business;
- B. research future trends in the workplace relating to technology.

SMG WORLDWIDE Connections:

Students will:

- 1. research companies using technology (computers and the Internet).
- 2. compose spreadsheets and word processing documents for tracking past investments, and to make decisions about future investments throughout the SMG.
- 3. investigate how changes in technology can affect a company's profits and the demand for its stock.
- 4. discuss the importance of technology in the workplace, specifically in financial institutions.

Curriculum Resource

Learning from the Market: Lessons 8, 11, 24

7 The student describes the characteristics of a business. The student is expected to:

- A. identify types of business;
- B. compare different types of ownership;
- C. explain the organizational structure and functions of business;
- D. describe the activities performed by businesses.

SMG WORLDWIDE Connections:

Students will:

- 1. invest in corporations, an important form of business organization.
- 2. discuss how corporations raise money for expansion from their profits or the sale of stock.
- 3. learn that entrepreneurs sometimes rely on initial public offerings (IPO) of stocks to provide start-up capital.
- 4. target and research businesses that are interesting to the student for investment.
- 5. create a hypothesis as to what the future may hold for selected companies and industries.

Curriculum Resource

Learning from the Market: Lesson 2, 3, 20, 21, 22

⑧ **The student relates the impact of international business on the United States economy. The student is expected to:**

A. compare domestic and world trade.

SMG WORLDWIDE Connections:

Students will:

1. research international companies when making investment decisions.
2. explain how international events affect the supply and demand for international companies sold on the NYSE, NYSE and/or Nasdaq.

Curriculum Resource

Learning from the Market: Lessons 19, 24

SMG WORLDWIDE Curriculum Resources

Learning from the Market: Integrating The Stock Market Game across the Curriculum

This curriculum is designed to help teachers connect The Stock Market Game to their school's curriculum through 24 classroom-tested lessons. Offering activities for beginning, intermediate and advanced levels, students in grades 4-12 learn the fundamentals of how the market economy works. TO ORDER CONTACT: NATIONAL COUNCIL ON ECONOMIC EDUCATION, 1140 Avenue of the Americas, New York, NY, 10036, 1-800-338-1192 EXT. 763.

The Stock Market Game Guide: Classroom Activities

This guide offers nearly 150 user-friendly pages of games, readings and other interesting classroom activities. These pages show in a clear, concise way what the stock market is, how it works, and why it is important. The stock market is used in the guide to identify and demonstrate basic economic concepts. TO ORDER CONTACT: SECURITIES INDUSTRY FOUNDATION FOR ECONOMIC EDUCATION, 120 Broadway, 35th Floor, New York, NY, 10271, (212) 618-0519.

SMG Teacher's Guide to the Internet

This guide contains an array of activities, tips, and recommendations on how to integrate the Internet into the classroom through the SMG program. For beginners and more advanced users, the guide explains everything teachers need to know about the Internet and demonstrates how they can incorporate this knowledge to enrich and enliven daily classroom lessons. TO ORDER CONTACT: SECURITIES INDUSTRY FOUNDATION FOR ECONOMIC EDUCATION, 120 Broadway, 35th Floor, New York, NY, 10271, (212) 618-0519.



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