



**THE STOCK MARKET GAME™**

***SMG WORLDWIDE CORRELATION  
TO THE TEXAS ESSENTIAL KNOWLEDGE AND SKILLS  
SOCIAL STUDIES – GRADE 5***

**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 distributed 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 and make decisions about the purchase and sale of stock while learning about markets and the American economic system.

The Stock Market Game provides social studies 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 teachers an opportunity to SMG Worldwide supports student development the areas of problem solving and decision making.

The following document correlates the Stock Market Game to the TAAS II Learning Objectives and the Texas Essential Knowledge and Skills (TEKS) for fifth grade social studies. It illustrates how the SMG program can be used to teach and reinforce state required skills.

Special thanks to Stephan Gray, a teacher at S. S. Conner Elementary, Dallas 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  
go to [www.smgww.org](http://www.smgww.org) or contact:  
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(817) 658-3496**

**5.5 History. The student understands important issues, events and individuals of the 20th century in the United States. The student is expected to:**

- A. analyze various issues and events of the 20th century such as urbanization, industrialization, increased use of oil and gas, world wars and the Great Depression; and
- B. identify the accomplishments of notable individuals such as Carrie Chapman Catt, Dwight Eisenhower, Martin Luther King, Jr., Rosa Parks, Colin Powell and Franklin D. Roosevelt who have made contributions to society in the areas of civil rights, women’s rights, military actions and politics.

**SMG WORLDWIDE Connections:**

Students will:

- 1. study the impact of the stock market crash of 1929.
- 2. analyze the impact of global trading on the US economy and investing.
- 3. investigate the impact of NAFTA on the US economy and investment choices in the SMG.

**Curriculum Resource**

*The Stock Market Game Guide: Lessons 5, 14*

**5.12 Economics. The student understands the characteristics and benefits of the free enterprise system in the United States. The student is expected to:**

- A. describe the development of the free enterprise system in colonial America and the United States;
- B. describe how the free enterprise system works in the United States; and
- C. give examples of the benefits of the free enterprise system in the United States.

**SMG WORLDWIDE Connections:**

Students will:

- 1. demonstrate how securities markets bring together buyers and sellers.
- 2. understand that investment requires a sacrifice –you can’t spend what you wish to invest.
- 3. understand that choosing one stock means not being able to purchase different stock because of limited resources.
- 4. understand that choosing an investment in a single stock involves tradeoffs among how much you’ll make, ability to sell a particular stock and safety.

5. relate increased investments to new and expanding businesses which increases economic growth.
6. understand that businesses need start-up capital and often rely on initial public offerings (IPOs), going public through the sale of stock, to provide it.
7. describe how the price of a security is determined by supply and demand.
8. analyze how world events affect the supply of and demand for securities.

### **Curriculum Resource**

*The Stock Market Game Guide: Lessons 10, 13, 16*

**5.13 Economics. The student understands the impact of supply and demand on consumers and producers in a free enterprise system. The student is expected to:**

- A. explain how supply and demand affects consumers in the United States; and
- B. evaluate the effects of supply and demand on business, industry and agriculture, including the plantation system, in the United States.

### **SMG WORLDWIDE Connections:**

Students will:

1. learn that a stock market transaction involves a buyer and a seller; both expect to gain, and both often do gain.
2. determine that the stock market is not a zero-sum situation; it is possible for every investor to show a gain.
3. understand that the price of a stock is determined by supply and demand.
4. analyze how real life events affect the supply of and demand for securities, for example, a war or an embargo.
5. determine that relative prices of stocks or of different investments determine how a buyer's limited financial resources will be allocated among those investments.
6. conclude that stock prices adjust because of factors that affect the supply of and demand for a stock.

### **Curriculum Resource**

*The Stock Market Game Guide: Lessons 2, 3, 7, 10, 13, 14*

**5.14 Economics. The student understands patterns of work and economic activities in the United States. The student is expected to:**

- A. analyze how people in different parts of the United States earn a living, past and present;
- B. identify and explain how geographic factors have influenced the location of economic activities in the United States;
- C. analyze the effects of immigration, migration and limited resources on the economic development and growth of the United States;
- D. describe the impact of mass production, specialization and division of labor on the economic growth of the United States;
- E. analyze how developments in transportation and communication have influenced economic activities in the United States; and
- F. explain the impact of American ideas about progress and equality of opportunity on the economic development and growth of the United States.

**SMG WORLDWIDE Connections:**

Students will:

- 1. learn how factors that influence economic growth in the United States have an impact on the performance of individual companies.
- 2. understand how factors that influence economic growth in the United States have an impact on the decisions of investors.

**Curriculum Resource**

*The Stock Market Game Guide: Lessons 6, 9, 14*

**5.25 Social Studies. The student applies critical-thinking skills to organize and use information acquired from a variety of sources including electronic technology. The student is expected to:**

- A. differentiate between, locate, and use primary and secondary sources such as computer software; interviews; biographies; oral, print, and visual material; and artifacts to acquire information about the United States and Texas;
- B. analyze information by sequencing, categorizing, identifying cause-and-effect relationships, comparing, contrasting, finding the main idea, summarizing, making generalizations and predictions and drawing inferences and conclusions;
- C. organize and interpret information in outlines, reports, databases and visuals including graphs, charts, timelines and maps;
- D. identify different points of view about an issue or topic;

- E. identify the elements of frame of reference that influenced the participants in an event; and
- F. use appropriate mathematical skills to interpret social studies information such as maps and graphs.

**SMG WORLDWIDE Connections:**

Students will:

- 1. interpret graphs found in the newspaper and on the Internet to anticipate how changes in the economy affect the fortunes of individual companies.
- 2. analyze world events and explain why they may affect the stock market.
- 3. apply math and research skills to solve the problem of how to invest \$100,000.

**Curriculum Resource**

*The Stock Market Game Guide: Lessons 1, 4, 5, 11, 14*

**5.26 Social Studies. The student communicates in written, oral, and visual forms. The student is expected to:**

- A. use social studies terminology correctly;
- B. incorporate main and supporting ideas in verbal and written communication;
- C. express ideas orally based on research and experiences;
- D. create written and visual material such as journal entries, reports, graphic organizers, outlines and bibliographies; and
- E. use standard grammar, spelling, sentence structure and punctuation.

**SMG WORLDWIDE Connections:**

Students will:

- 1. understand and use investment terminology when discussing decisions about their portfolio with SMG team members.
- 2. create a pie chart visually depicting the proportion a particular stock in their portfolio occupies in relation to their whole portfolio.
- 3. compare the daily performance of selected stocks in their portfolios using bar graphs.
- 4. create line graphs and tables of the performance of stocks in their portfolios.
- 5. develop a final SMG presentation summarizing their SMG team's investment strategy and portfolio performance. It can include an oral and written report with visual aids and/or multimedia presentation (PowerPoint).

**Curriculum Resource**

*The Stock Market Game Guide: Lessons 3, 4, 11, 14, 15*

**5.27 Social Studies. The student uses problem-solving and decision-making skills, working independently and with others, in a variety of settings. The student is expected to:**

- A. use a problem-solving process to identify a problem, gather information, list and consider options, consider advantages and disadvantages, choose and implement a solution and evaluate the effectiveness of the solution; and
- B. use a decision-making process to identify a situation that requires a decision, gather information, identify options, predict consequences and take action to implement a decision.

### **SMG WORLDWIDE Connections**

Students will:

- 1. perform a stock benefit-cost analysis when buying or selling stock; discover whether the stock is worth the cost by analyzing the amount of profit expected compared with the risk.
- 2. use a decision making process to manage the SMG WORLDWIDE investment portfolio to its highest level of profit.

### **Curriculum Resources**

*The Stock Market Game Guide: Lessons 1, 3, 4, 5, 11, 12, 14*

## **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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