The intent of this field tested instructional package is to acquaint the student with the elements of finance and its function in producing goods and services. Defining behavioral objectives, the course description includes a media section, suggested classroom activities, and sample student evaluation forms, as well as the basic information section. Included in the package is a list and explanation of possible sources of financial support available to industry: stocks, bonds, loans, subsidies, and grants. A list of characteristics to be examined before acquiring various kinds of financial aid, the proper method of recording financial transactions using a general journal form, and an explanation of how the stock market functions in the production of goods are topics discussed in the course description. (Author/MW)
LET'S STUDY FINANCE

Prepared as an Aid in Implementing
The Wisconsin Guide to Local Curriculum Improvement in Industrial Education, K-12
Learning Activity Package

Prepared as an Aid in Implementing
The Wisconsin Guide to Local Curriculum
Improvement in Industrial Education, K-12

Finance

Junior-Middle High School

Pertaining to Field Objective Number One

"To work with the element of finance
to gain an understanding of how it
functions in producing goods and services"
RATIONALE:

In order to understand how industry functions in producing goods and services, many aspects or elements must be studied. One of these elements is finance. For a company to be started, it requires money to pay employees, construct buildings, buy materials, transport finished products, etc. A business must study its financial needs in advance to determine the money they will need to get started and continue production to make a profit.

Though this lesson is intended to show you how finance is used in our industrial society, it will also help in your own everyday financing. Some day you may wish to buy a bicycle, car or home and not have the available money. Finance will be involved in these situations. By studying this lesson, you will gain understandings of the kinds and sources of finance which can be used to make these purchases. Also this lesson will be useful if your class intends to set-up an enterprise for producing goods or services. It will help you to understand how a company is run financially.

Turn to the next page and read the objectives carefully!!!
OBJECTIVES

Terminal Objective:
To work with the element of finance in order to gain an understanding of how it functions in producing goods and services.

Enabling Objectives:
At the conclusion of this lesson, you will either orally or in writing:
1. Define finance in your own words.
2. List and explain the following sources of financial support - individuals, groups, institutions and governments - that industry may obtain.
3. List and explain the following kinds of financial support that industry may obtain - stocks, bonds, loans, subsidies and grants.
4. List at least five characteristics to be examined before acquiring various kinds of financial resources.
5. Demonstrate how to properly record the financial transactions of a company using a general journal form.
6. Demonstrate an understanding of how the stock market functions using the financial section of a newspaper.

Options: Read the self-test on the following pages and then check the following selections that apply to you.
_____ If you feel you can meet the above objectives:
   ____ A. See the instructor for teacher evaluation
   ____ B. Take the self-test as a self-evaluating device, then see your instructor.

_____ If you feel you cannot meet the above objectives:
   ____ A. Take the self-test to see what objectives your studying should be based upon, then turn to the media section on page 6.
   ____ B. Skip the self-test and turn to the media section on page 6 to help you achieve the objectives.
SELF-TEST: You may write in this booklet.

1. In your own words, write a sound definition of finance.

2. What are four sources of obtaining financial support? Briefly explain each source.
   a. 
   b. 
   c. 
   d. 

3. What are five kinds of financial support? Briefly explain each kind.
   a. 
   b. 
   c. 
4. What are at least five considerations which should be examined before acquiring various kinds of financial support?

a.

b.

c.

d.

e.

5. Record the following information in the sample general journal form that follows:

Oct. 7, 1973 - 53 shares of stock sold at $1.00 per share
Oct. 11, 1973 - purchased 3 - 4' x 8' sheets of 11 gauge aluminum at $7.00 per sheet
Oct. 15, 1973 - purchased 5 boxes of rivets
Oct. 15, 1973 - purchased 1 gallon of blue paint
Oct. 30, 1973 - sold 100 sugar scoops at .25 each
Nov. 10, 1973 - sold 50 sugar scoops at .25 each
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</table>

6. Obtain the finance section of a newspaper and explain the numbers and symbols listed in it. List and explain at least four symbols.
Objective Number 1: You will define finance in your own words.

Optional Media: Choose one or more!!

1. Read the information found on page 8 of this package.

Optional Activity: Choose one or more from Activities: Finance - I-1A to 1D.

Objective Number 2: You will list and explain the following sources of financial support - individuals, groups, institutions and governments - that industry may obtain.

Optional Media: Choose one or more!!

1. Read the information found on pages 8 to 10 of this package.
3. Movie "American Business System," Rental $5.90, B&W, 29 min., from Audio-Visual Center, Indiana University, Bloomington, Indiana, Film #BS-100

Optional Activities: Choose one or more from Activities: Finance - I-2A to 2D.

Objective Number 3: List and explain the following kinds of financial support that industry may obtain - stocks, bonds, loans, subsidies and grants.

Optional Media: Choose one or more!!

1. Read the information found on pages 10 to 12 of this package.
from Indiana University, Audio-Visual Center, Bloomington,
Indiana, #CSC-242.

Optional Activities: Choose one or more of the following activities:
Finance - I-3A to 3D.

Objective Number 4: List at least five characteristics to be examined
before acquiring various kinds of financial resources.

Optional Media: Choose one or more.

1. Read the information found on pages 12 to 13 of this
package.

from Indiana University, Audio-Visual Center, Bloomington,
Indiana, #CS-606.

Optional Activities: Choose one or more of the following activities:
Finance - I-4A or 4B.

Objective Number 5: Demonstrate how to properly record the financial
transactions of a company using a general journal
form.

Media:

1. Read pages 13 to 15 of this package.

Activity: Complete activity, Finance - I-5.

Objective Number 6: Demonstrate an understanding of how the stock market
functions using the financial section of a newspaper.

Optional Media: Choose one or more.

1. Read Activity Finance - I-6 included in this package.

2. Movie "The Stock Exchange and Investing" fr. 25 min.,
color film from Modern Talking Picture Service.

What is Finance?

To understand and work with the finance element of industry, we must first understand what finance means. If you were to look in a dictionary, you would find a definition that is concerned with money. Instead of defining finance as money, we will specify it more and say, "finance is the process of obtaining and controlling money needed to develop and maintain an enterprise."

In obtaining money we are interested in where we can get it. Suppose you would like to go to a basketball game. You would need some money to pay the admission fee to get into the gym. Where will you get the money? You may have worked to earn the money, but probably your father will give you the money in the form of an allowance. Your father probably works for a company to obtain his money. Companies must also have a way of obtaining money to exist. We shall talk about sources of obtaining money in the next section.

Controlling money is the other part of finance. In controlling money we are interested in determining an efficient use of it and recording these uses. So finance involves more than just having money. It deals with ways of getting money and determining how to record and use it wisely.

Sources of Financial Support

If you ever need money, you could possibly obtain a part-time job after school, or you might ask your parents for the money or ask someone in your family for a loan. When a company is starting
or expanding, it also often needs financial support. It generally doesn't have a father to ask, or enough cash on hand. So the people starting the company have to find a means of obtaining the money to start their operations. They need property (land, buildings, materials, equipment, etc.), people (skilled laborers and managers), and working funds (the money required to operate the company). How can the company organizers obtain this money? A lot of the time, thousands and millions of dollars are required.

Below are listed and explained the major sources of financial support used by industry.

**Individuals.** This can be the owner of the business or other people in society. Sometimes a person may be wealthy and wish to start his own enterprise. He may have acquired his money by saving, working, or someone may have left it for him (will), or the person starting the business may have friends and acquaintances who want to invest in this company. This is another source of financial support.

**Groups.** These are people who have formed together into an organization. These groups of people generally have acquired their money by dues, investment or selling product(s). Examples of groups that provide financial support for industry are labor unions, professional organizations and clubs. As years pass, they accumulate large sums of money and invest it into companies to make more money by receiving interest.

**Institutions.** They are organizations that are formed because the persons in them have a common relationship. Examples of these are hos-
pitals, insurance companies and businesses. They also provide sources of financial support. A loan company is a form of a business institution. Individuals or companies can go to a loan company and borrow money if they can provide evidence that they will be able to repay the money borrowed. Large religious groups and hospitals also accumulate money and are often willing to invest it into industry. The reason they are willing to do this is to make a profit - make their money and investments increase.

Governments. Often a government will lend a company or business money. If a company provides a service for the public, the government believes they may be helping the public with further services by investing their money into the company. In the United States, the government has recently invested large sums of money into the railroads and certain airlines. Through poor financial management, these companies have come near to bankruptcy. The government has lent them vast sums of money to keep operating, since the public requires the services of these companies.

In summary, for an enterprise to obtain financial support, there are four major sources for obtaining it. These are individuals, groups, institutions and governments.

Kinds of Financial Support

Whenever an enterprise desires to obtain financial support from one of the sources listed in the previous section (individuals, groups, institutions and governments) it is interested in the terms that will be involved when it has to repay this money. These factors are the
amount of time he has to repay the loan and the interest that has to be repaid on the money borrowed. Following is a listing and explanation of some of the various kinds of financial support used by enterprises and individuals.

Stock. It represents ownership in a company. The company needs money to get started or to expand, so it sells stock to investors (sources). Only corporations can sell stock. When people buy stock in an enterprise, they are taking a risk, hoping to make a profit. If the company they are investing in goes bankrupt, they lose all the money they have invested. On the other hand, if the company produces and sells more goods, vast profits can be made on the investment. When an individual buys stock in a corporation, he also obtains a voting right in what policies the company follows. There are two types of stock - common and preferred. They differ on voting rights and the way in which profits (dividends) are paid.

Bonds. A bond is an interest bearing written obligation for a stated amount of money with promise to repay on a specific date. A bond is a loan and can only be issued by the government or by a corporation. It has no ownership rights as does stock. The government sells savings bonds through banks. A person may buy a savings bond for a given rate and must keep this bond for a given amount of years. After this period of years is up, he may get his investment back plus interest. A $25.00 savings bond may be purchased for $18.75. If held for five to seven years (depending on the type of bond) he may turn it in for the $25.00 value. Industry also issues bonds in the same manner.
Loans. They may be obtained from the sources previously listed. A loan does not entitle the source any rights in the company. It is money lent for a specified amount of time and repayable with interest. If the money is not paid back to the place from where it was borrowed, the lender has the right by law to take something of value equal to the loan from the borrower. When persons are buying new cars, they are often required to obtain a loan to finance the purchase of the car. If the new car cost $4,000.00 and you only had $1,000.00 on hand, you could try to finance your car. You could go to a bank, loan company, etc. to borrow the money. This would $3,000.00 (4,000.00 car price - $1,000.00 cash on hand) plus the interest you would have to repay the company. For car purchases, the interest rate is around 17%. When you borrow the money, you have a time period to repay the loan. It is usually repaid on monthly payments.

Subsidies. The government may supply money in the form of a subsidy for service rendered for the public. This does not give the government control of the company and usually does not need to be entirely repaid.

Grants. This is money given to an enterprise and is not required to be repaid. It is generally received because the money given will help the group giving it. It is similar to a subsidy.

Characteristics of Financial Support

Whenever the kinds and sources of financial support have been determined there are other considerations that must be examined before the money is borrowed. These are the do's and don'ts in borrowing money.
1. Don't borrow money unless you really need it.
2. Don't borrow money until you have planned how you can repay it. Money borrowed must be repaid.
3. Don't borrow money unless having it is worth what it costs. Borrowing costs money.
4. Don't borrow money from an unreliable or unlicensed lender. There are laws involved.

1. Do ask to see the lender's license. He should belong to a state or national lender's organization.
2. Do insist on a written statement on how the money is to be repaid and the service charge (interest) you must pay.
3. Do insist that provisions be made so you may repay the money early with reduced service charges.
4. Do examine the terms of the contract. You may borrow at different rates at various loan companies.
5. Do spend your credit as carefully as you do your cash - it is your money.

Recording Financial Transactions

Remember from previous sections that it is not only important to obtain, and wisely use financial support, but it is also important to know how to record these transactions. In recording financial transactions, a general journal sheet is used. Following is a brief section of the form and an explanation of how to use it:
<table>
<thead>
<tr>
<th>Date</th>
<th>Description of Entry</th>
<th>Acct. No.</th>
<th>Debit</th>
<th>Credit</th>
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</thead>
<tbody>
<tr>
<td>Oct. 30</td>
<td>Sale of Stock (20 shares @ $1.00)</td>
<td>103-A</td>
<td>20.00</td>
<td>1</td>
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<tr>
<td>Nov. 5</td>
<td>Materials Purchased (1 gal. paint @ $5.00)</td>
<td>103-B</td>
<td>5.00</td>
<td>2</td>
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<tr>
<td>Nov. 6</td>
<td>Material Purchased (50BF pine at $.25)</td>
<td>103-B</td>
<td>12.50</td>
<td>3</td>
</tr>
<tr>
<td>Nov. 21</td>
<td>Sale of Product (25 bird houses @ $1.00)</td>
<td>103-A</td>
<td>25.00</td>
<td>4</td>
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<tr>
<td>Nov. 25</td>
<td>Materials Purchased (1 gal. paint @ $5.00)</td>
<td>103-B</td>
<td>5.00</td>
<td>5</td>
</tr>
<tr>
<td>Nov. 30</td>
<td>Materials Purchased (25BF pine @ $.25)</td>
<td>103-B</td>
<td>6.25</td>
<td>6</td>
</tr>
<tr>
<td>Dec. 16</td>
<td>Materials Purchased (paint brush @ $.30)</td>
<td>103-B</td>
<td>.30</td>
<td>7</td>
</tr>
<tr>
<td>Jan. 8</td>
<td>Sale of Produce (20 bird houses @ $1.00)</td>
<td>103-A</td>
<td>20.00</td>
<td>8</td>
</tr>
</tbody>
</table>

Whenever money is received or spent, it is recorded on the journal. The companies financial manager or treasurer is usually responsible for keeping track of these records. Whenever a transaction is recorded, various columns should be filled out. Following is a description of the form:

Date - Whenever a transaction takes place, the date is recorded.

Description of Entry - This covers the purpose of what the money was spent for or why it was received.

Acct. No. - This stands for the account number. It is optional to use. If your class handles its financial operations through the school office, you will be assigned an account number.
Debit - This stands for money that you pay for services or materials.

Credit - This stands for money that you receive. It can be in the form of stock sold or products sold.

If you wish to know how much money the company has - add the total of the debits and the total of credits. Subtract the debits from the credits and you will determine your company’s financial status. This should always be checked before any money is spent.

Playing the Stock Market:

Refer to activity six of this package, it is self explanatory.
What is Finance?

Question: In your own words, define and explain finance.
Activity: Finance - I - 1B

Name __________________________

Period ________________________

What is Finance?

Materials Required: If necessary, obtain these from your instructor.

1. Poster board or index paper
2. Colored markers or pencils
3. Magazine clippings
4. Sheet of scratch paper
5. Definition of finance

Procedures: Using the definition of finance, construct a poster or collage that will display its meaning.
Activity: Finance - I - 1C

Name ______________________

Period ______________________

What is Finance?

Directions: Interview your family members or a banker and ask them the meaning of finance. Record their answers below. After you have obtained at least three persons statements, check and correct their responses using the information in this package, dictionaries and books.
What is Finance?

Materials Required: If necessary, obtain these from your instructor.

1. Game set of one of the following: "Monopoly", "Finance", or "Careers"
2. Two or three other students
3. Note book paper

Procedures: During the class period or your free time, play one of the games listed above. From these experiences, list what you think finance is, and describe some of the financial steps that you took during the game.
Sources of Finance

Question: In your own words, list and explain the four sources of obtaining financial support.
Directions: In the following situations, write the best source(s) which you would go to for financial support - individual, institution, group or government. Some situations may require more than one answer. Explain why you used each source.

Questions:

1. If I forgot my lunch money who would I see for financial help?

2. If I were buying a $150.00 bicycle and only had $75.00. I work as a paper carrier.

3. I wanted to go to college but had little financial support.

4. I had a full-time job in a factory and wanted to buy a car. I do not have enough money saved.

5. Our house burned down and we had no insurance.

6. Your mother wants a new electric range, but your family does not have enough money saved.
Activity: Finance - I - 2B (cont.)

_______ 7. You want to go to the hockey game on Friday night and you do not get your allowance until Saturday.

_______ 8. Your class wants to have a hot dog stand during lunch period. You need money to start the business.

_______ 9. Your father owns a bus company but it is losing money. It will help the public with mass transportation.

_______ 10. Your class wants to make and sell yo-yos. You need money to start the enterprise.
Activity: Finance - I-2C

Name _____________________

Period _____________________

Sources of Finance

Directions: Interview a banker or someone in the school financial department and find out their various sources of financial support. Explain this interview below.
Activity: Finance - I-2D

Name ___________________

Period ___________________

Sources of Finance

Directions: Suppose you owned a company and wished to produce a product or service. Where could you get financial support to do this? You may wish to consult a person or company who is producing similar goods or services as you would like. Write and explain your answers below.
Activity: Finance - I - 3A

Question: List and explain the five major kinds of financial support that an enterprise may consider using.
Activity: Finance - I - 3B
Name ________________________________
Period _______________________________

Kinds of Finance

Directions: In the following situations, write the best kind(s) of financial support that you could obtain from various sources per situation. The kind of support to be used are the following - stocks, bonds, loans, grants, subsidies. Some situations may require more than one example. Explain why you used each source.

Questions:

1. If you were to start a class company making and selling cookies, what kind of financial support would you use to obtain necessary funds to start production.

2. If you were going to buy a car and did not have enough cash, what kind of funds would you seek.

3. You were a straight "A" student and wanted to go on to college, but did not have the necessary money. What kinds of finances could you seek.

4. You owned a railroad transportation company which helped the public. The company was going bankrupt. You would apply to the government for what type of financial support?

5. Your community wanted to build a new school, but did not have the necessary tax money. What kind of financial support could you seek.
Activity: Finance - I-3C

Name __________________________

Period __________________________

Kinds of Finance

Directions: Talk to a parent, banker, or a person who handles the financial transactions of a company to see what they know about the various kinds of financial support - stocks, bonds, loans, grants, and subsidies. Write a brief explanation of each on the bottom of this page.
Activity: Finance - I-3D

Name ________________________________

Period ________________________________

Kinds of Finance

Directions: On this page, design and construct a neat drawing of one of the following: a stock certificate, a bond, or a loan form. Use your own creativity.
Directions: Below list at least five do's and don'ts about borrowing money.
Activity: Finance - I-48

Directions: Interview a parent or older friend to find out some considerations (do's and don'ts) about borrowing money. List these below. You must have at least three do's and three don'ts.
### General Journal Form

**Directions:** Using the following information, fill in the general journal form.

- **September 30, 1974** - 30 shares of stock sold at $.50 a share.
- **October 4, 1974** - 10 yards of white felt bought at $.85 a yard.
- **October 4, 1974** - 2 quarts of green silk screening ink purchased at $3.00 a quart.
- **October 6, 1974** - 60 ft. of 3/16" dowel rod purchased at $.03 a foot.
- **October 6, 1974** - 1 quart of walnut stain purchased at $1.25.
- **October 8, 1974** - 1 spool of brown twine purchased at $0.65.
- **November 4, 1974** - 30 school banners sold at $.50 each.
- **November 7, 1974** - 30 school banners sold at $.50 each.

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Playing the Stock Market

Have you ever heard of the stock market? Do you know what the Dow-Jones averages are? Do you understand the small numbers and figures that appear on the financial section of the newspaper? This activity is meant to help you understand the stock market, and it will bring together all the materials you have previously studied relating to finance.

Following is a section which would appear in the "Stock Market Report" of a newspaper:

New York Stock Market

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<td>Atlas Corp.</td>
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<td>Bendix</td>
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<td>357</td>
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<td>5 3/4</td>
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<td>-3/8</td>
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<td>St Oil Ind</td>
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<td>107 1/2</td>
<td>98 1/4</td>
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</tr>
<tr>
<td>Scott Pap</td>
<td>.56</td>
<td>15 1/8</td>
<td>15 1/2</td>
<td></td>
<td></td>
<td>-1/2</td>
</tr>
<tr>
<td>Xerox Cp</td>
<td>1</td>
<td>105 1/2</td>
<td>105 1/2</td>
<td></td>
<td></td>
<td>-3 7/8</td>
</tr>
</tbody>
</table>
Following is an explanation which will help you to read and understand the stock report. Listed are the terms and their meanings.

Stock - This is located at the far left of the stock listing columns. Often this column appears as abbreviations. The abbreviations stand for the numerous corporations that offer to sell shares of stock in their enterprises. If you know the corporation's name you are looking for, it is quite easy to find. The stocks are listed in alphabetical order in the columns.

Div. - This stands for dividend. It is the first section of numbers located after the stock listings. A dividend is the amount of money a stockholder received for each share of stock he held at the end of a period. If you look at the sample market report above, you will see that Campbell Soup paid $1.18 per share held.

Sales (HDS) - This group of numbers stand for the number of shares in hundreds that were sold during the day. 54 would stand for 6,400 and is always written as 64.

High - The next group of figures represents the high price for the day. This is the highest price paid per share of that particular stock on that day.

Low - Following the high is the column listed as Low. This means the lowest price paid per share.

Last - This column stands for the closing price paid for a share of stock on that day. You will use this when you are figuring profits and losses while playing the stock market.

Net Chg. - This is the last column listed. It represents the difference between yesterday's and today's closing prices. Symbols of (+ and -) appear before the net change. A "+" would mean the stock increased in value from yesterday, and a "-" would mean it decreased. Stocks are listed in 1/3's or 5.12 fractions.

See if you understood what you have read. Answer the following questions:

1. What was American Motors closing price? _______ (8 3/8)
2. What was the net change of Bendix? _______ (-1)
3. What was the day's high for McDonald's? _______ (3)
4. What was the day's low for Latrobe Steel? _______ (5 7/8)
5. How much of a dividend, per share, did a stockholder of Scott Paper receive for the last period? _______ (.56)
Activity: Finance - I - 6 (Cont.)

6. What is the abbreviation for Eastern Air Lines? ____ (East Air Ln)

What to Do?

Now that you know a little about the stock market, let's see how you can invest in it. Pretend that you have $1,000.00 to invest in the stock market as you please. The investment period will be for a week. You may invest in one or more corporations. Use the "Stock Market Quotation Form" found at the end of this activity to record your shares. Before you select the stock(s) you may wish to purchase, study the stocks listed. You must sell at the end of a week's period and calculate your profits or losses. The following form will show you how to do this.
Activity: Finance - I - 6 (Cont.)

Name ________________________

Period ________________________

"Stock Market Quotation Form"

Date Investment Began ________________________

Name of Investing Corporation(s) ________________________

Source of Readings (Name of Paper) ________________________

Record your readings: (If you have made more than one investment, obtain additional forms).

<table>
<thead>
<tr>
<th></th>
<th>High</th>
<th>Low</th>
<th>Closing</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st Day's Reading</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>2nd Day's Reading</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>3rd Day's Reading</td>
<td></td>
<td></td>
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<tr>
<td>4th Day's Reading</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>5th Day's Reading</td>
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</table>

Low for period ______

High for period ______

Calculate your profit or loss by figuring the difference of the price of your share of stock at the 1st reading's closing price and the closing price when you sold the stock (show your work).

Did you have a profit or loss?
Activity: Finance - I - Terminal

To the Teacher:

Finance

Information: This is a group activity. It may be substituted for all other finance activities if you wish. You should direct and modify this activity to meet the particular needs of your class.

Explanation: This activity is aimed at explaining what finance is and the final outcome will be to set up your own classroom economy. Money as we know it will not have value. You should select products or materials which are located in the lab and give them value. Instead of having gold as a basis for our economy, we should use nails, screws or something else conveniently located in our industrial arts area. Using this as a base, you and the students should design and print your own currency. This money should be recorded and only an amount should be printed that you have value to back it.

Remember to stress to the students the importance of good record keeping. You may also wish to print coins from sheet metal and stamp the class' symbol on it.

Whenever the class has a production run or other clean-up responsibilities, you may wish to pay them with this money.

It could also be used to buy stock in their company at a later date. By doing this, the picture of finance and an economy will begin to expand. You may wish to have the students design and print their own stock certificates for their class or company.

At the end of the year or during various other times you may want to produce products that the students can buy with this money.

Examples: You may wish to use other designs and to print them in various colors and values. Various colored ditto masters may be used in obtaining different colors.

Bill:
This certifies that ___________ is the owner of _______ shares of capital stock of ___________. This stock is transferrable only on the books of the company by the holder thereof in person upon the surrender of this certificate properly endorsed.

In witness thereof, the said corporation has caused this certificate to be signed by its duly authorized officers and to be sealed with the seal of the corporation this ___ day of __________, A.D. 19___.

___________________________  ____________________________
Secretary                              President
Directions: Answer all of the following questions to the best of your ability. The questions are written to evaluate your knowledge and understanding of the area of industrial arts covered in this package. Choose the answer which best completes the statement.

1. Finance is the process of
   a. Obtaining money
   b. Controlling money needed to develop and maintain an enterprise
   c. Spending money
   d. Obtaining and controlling money needed to develop and maintain an enterprise

2. Controlling money involves
   a. Spending it
   b. Saving it
   c. Efficiently using and recording its use
   d. Obtaining it

3. Labor unions, professional organizations and clubs are examples of what type of sources for obtaining financial support?
   a. Individuals
   b. Institutions
   c. Groups
   d. Governments

4. Hospitals, insurance companies and businesses are examples of what type of sources for obtaining financial support?
   a. Individuals
   b. Institutions
   c. Groups
   d. Government

5. What is an interest bearing written obligation which promises to repay a stated amount on a specific date? It can only be issued by a government or corporation?
   a. Stock
   b. Bond
   c. Subsidies
   d. Grants
6. Which of the following kinds of financial support represent ownership in a company?
   a. Stock
   b. Bond
   c. Loan
   d. Grant

7. Money which is given to an enterprise and is not required to be repaid is
   a. Stock
   b. Bond
   c. Loan
   d. Grant

8. When recording financial transactions for a company, you should use
   a. A check book
   b. A tablet
   c. A general journal sheet
   d. All of the above

9. It stands for money that a company pays for services or materials
   a. Credit
   b. Debit

10. When playing the stock market, what represents the difference between yesterday's and today's closing prices?
    a. High
    b. Dividend
    c. Net change
    d. Sales