

Handout C.1

Stock market simulation – Step 1

Directions:

It is March 1, 2012. You have \$10,000 to invest in up to three companies. You can invest different dollar amounts in each company. Your goal is to make money, so invest in companies that you believe will be profitable.

1. Choose up to three companies from the “Stocks to choose from” chart. Write down the symbol for each company in the **Company Symbol** column.
2. Using the “Stocks to choose from” chart as your guide, write down the price per share of each company’s stock in the **Price per Share on March 1** column.
3. Now decide how you want to distribute your \$10,000 among the three stocks. You don’t necessarily have to distribute your money evenly. Choose how much money you would like to spend on each company and record this in the **Maximum Amount to Spend on Stock** column.
4. The quantity of shares that you buy for each company will depend on the price of each share. Divide the **Maximum Amount to Spend on Stock** column by the **Price per Share on March 1** column to calculate how many shares you can buy. Round down to the nearest whole number and record this whole number in the **Quantity of Shares Bought** column.
5. Multiply the **Quantity of Shares Bought** column by the **Price per Share on March 1** column to find the exact dollar amount you will spend on that stock. Record this in the **Total Amount Spent on Stock** column.
6. Once you have calculated the above for your stock(s), add the completed rows in the **Total Amount Spent on Stock** column to determine how much you invested altogether. Record this in the white box in the **Total Amount Invested** row.
7. Subtract the **Total Amount Invested** from \$10,000. This is cash that you did not invest. Write down how much cash you have left over in the white box in the **Cash Not Invested** row. Note: This amount should be less than the price of any one share of your stock. Your goal is to spend as much of your \$10,000 as possible. If you have enough money left over to purchase another share, do so now and readjust your calculations.



Company symbol	Price per share on March 1	Maximum amount to spend on stock	Quantity of shares bought (rounded down to the nearest whole #)	Total amount spent on stock
1				
2				
3				
Total Amount Invested:				
Cash Not Invested:				

Stocks to choose from:

Company	Sector	Symbol	Price on March 1, 2012
3M	Industrials	MMM	88.72
Alcoa	Materials	AA	10.25
Altria Group	Consumer Staples	MO	30.17
American Express	Financials	AXP	53.03
American International Group	Financials	AIG	29.39
AT&T	Telecommunication Services	T	30.54
Boeing	Industrials	BA	74.92
Caterpillar	Industrials	CAT	114.67
Citigroup	Financials	C	33.52
Coca-Cola	Consumer Staples	KO	69.87
DuPont	Materials	DD	50.89
Exxon Mobil	Energy	XOM	86.47
General Electric	Industrials	GE	19.15
General Motors	Consumer Discretionary	GM	26.19
Hewlett-Packard	Information Technology	HPQ	25.35
Home Depot	Consumer Discretionary	HD	47.53
Honeywell	Industrials	HON	59.35
IBM	Information Technology	IBM	197.23
Intel	Information Technology	INTC	27.06
Johnson & Johnson	Health Care	JNJ	65.11
JPMorgan Chase	Financials	JPM	39.51
McDonald's	Consumer Discretionary	MCD	99.28
Merck	Health Care	MRK	38.15
Microsoft	Information Technology	MSFT	31.93
Pfizer	Health Care	PFE	21.07
Procter & Gamble	Consumer Staples	PG	67.44
United Technologies	Industrials	UTX	83.86
Verizon Communications	Telecommunications Services	VZ	38.12
Wal-Mart	Consumer Staples	WMT	59.36
Walt Disney	Consumer Discretionary	DIS	42.13

Sources:

http://www.stockmarketsreview.com/companies_dowjones30

<http://finance.yahoo.com>

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