The Stock Market Intelligence Test

Do you know the rules and terms of the Stock Market Game???

1. How much money does each team start with?
2. How does the SMG computer identify teams?
3. How many weeks do teams have to invest?
4. Can a team transact a mutual fund?
5. What is the minimum number of shares that can be transacted?
6. What percent do you pay for a broker’s fee?
7. How tall do you have to be for a short sell? (This is a joke, a freebie!)
8. What do you call a warning that a team is overextended?
9. The “market volume” is: (a) the voice quality of an unruly grocery clerk; (b) the capacity of a grocery cart; (c) the number of shares actually traded on a stock exchange for the day.
10. The “price limit” is an optional column. Can a team leave it blank?
11. A team’s “equity in portfolio” equals what two totals?
12. Your team will receive a “mark-to-market” value when you have stock in what position?
13. Can you sell a stock you don’t have in your portfolio?
14. If you have margin extended to your team, what charge do you pay?
15. A minus sign in front of a number on your portfolio means: (a) big mistake; (b) a negative amount of money shown as a loss; (c) not your problem – the computer did it.
16. How can your team increase portfolio value without new trading activity?
17. What is the minimum required value of each stock you purchase?
18. How do Stock Market Game investing strategies differ from actual investing strategies?
Answers

1. $100,000.00
2. The team ID number and password.
3. Ten.
4. No.
5. 100 shares is the minimum order.
6. Brokers fee = 2% or .02.
7. Freebie!
8. Margin call is issued to teams to alert them to bring their equity in line.
9. (c)
10. Yes.
11. Ending balance + Long Positions
12. Short position.
13. No.
14. 10%.
15. (b)
16. Portfolio value increases when the price of your stocks go up.
17. $5.00
18. (1) Teams may trade only in common stocks. (2) Teams plan for a 10-week period, not for the long haul. (3) Margin requirement is 50%.