# Wolf of Wall Street

Analysis of finance terms:

1. Stock: A stock represents a share in the ownership of a company
2. Initial Public Offering(IPO): An IPO is the process by which a private company offers its shares to the public for the first time to raise capital. In the movie, Belfort tries to market IPOs to make his business seem legitimate.
3. Penny Scheme: This is how Belfort first started- by selling penny stocks to middle-class working people and earring 50% commission. Penny stocks are low-priced shares with small market capitalization.
4. Commission: The fee or percentage of a trade's value earned by a broker for executing a trade. The employees at Stratton Oakmont earned 50% commission on each trade, whereas in his previous job he used to earn 1% commission.
5. Blue-chip stocks: Blue-chip stocks are the shares of well-established and financially sound companies that have demonstrated reliable performance, typically over many years. They initially sold blue-chip stocks to the rich customers to establish trust and faith.
6. Stockbroker: Stockbrokers are individuals who buy and sell stocks and other securities for retail and institutional clients, through a stock exchange or over the counter, in return for a fee or a commission. Jordan Belfort was a successful stockbroker.
7. Cold calling: Stratton Oakmont used cold calling as their technique to get people to invest in their stocks. Cold calling refers to a sales tactic involving unsolicited calls to potential clients to pitch products or services.
8. Offshore accounts: Bank accounts located in foreign countries with favorable tax laws or secrecy protections. Belfort hides his earnings in Swiss bank accounts to avoid detection.
9. ‘Pump and Dump’: Stratton Oakmont participated in several frauds, including [pump-and-dump schemes](https://www.investopedia.com/terms/p/pumpanddump.asp) to artificially inflate the price of penny stocks.

### SEC (Securities and Exchange Commission)**:**The U.S. regulatory body responsible for enforcing securities laws. Stratton Oakmont was investigated by the SEC.

“No. 1 rule of wall street: Nobody knows if a stock is gonna go up,down, sideways or in circles.”