



What Makes A Good Stock

MODULE 5: LESSON GUIDE

In this module we will be discussing how to pick a good stock. This will consist of looking at the financials of a company and predictions for their future performance. We will also see how new product launches can affect a stock price. But we will dive deeper than that and examine the long-term potential of a company by looking at factors such as competitive advantages it may have, trends in its industry, or if it's poised to benefit from changing demographics or technology shifts.

Time Required: 60-90 minutes

SUPPLIES:

Notebooks
Computers, Phones or Tablets
Internet Access
Projector
Rapunzl App
Activity Sheets (Optional)

ACTIVITIES & ARTICLES

ACTIVITIES

- Price-To-Earnings Ratios
- Shorting A Stock
- What's Going On With That Stock?

ARTICLES

- Different Valuation Methods
- Fundamental Versus Technical Analysis
- How To Short A Stock
- Important Financial Ratios
- Indicators To Know & Use
- Limits Of Technical Analysis
- Major Company Filings
- The 3 Financial Statements
- The Basics Of Accounting
- The Risks Of Shorting A Stock

GUIDING QUESTIONS

- Where do companies report their financial progress?
- How can investors track a company's growth and future plans?
- How do companies balance and track their revenues vs. spending?
- What is the key information for investors to look out for in company documents?
- What is a "good stock"?
- What are some ways to analyze a stock?
- How do investors choose what to invest in?

ENDURING UNDERSTANDINGS

- How to read and analyze company financial documents with basic accounting.
- The type of information present in financial reports and its relevance.
- A "good" stock has a competitive advantage and strong financials.
- Investors should look to the future to understand a company's potential for growth.
- Don't let FOMO inform your investments.
- You should be confident enough in any stock you choose to stick with it or even buy more.
- If you stick with industries you know, it will be easier to find great investments. when the price.

STANDARDS ALIGNMENT

Investing:

8.1a-b, 8.2a-c, 8.4a-b, 8.6b, 12.3b-c, 12.5a-b

Managing Risk:

8.5a