

## MODULE 1: Vocab & Key Terms

# Welcome to the Stock Market

### **Stock**

A share of a company which is sold to investors and represents ownership.

### **Stock Market**

A place for investors to buy & sell publicly traded companies' stock. This list includes the NASDAQ, S&P 500, & numerous indexes from around the world.

### **Stock Price**

The current price per share for a company represents the price from the most recent transaction for a company's stock, determined by investors' Bids & Asks.

### **Dividend**

A quarterly payment made to investors when large companies distribute a percentage of their profits to shareholders.

### **Volume**

The total number of shares of a company's stock that trade on a specific day.

### **Liquidity**

The ease with which an investor may sell their investment. Stocks are considered liquid investments, unlike real estate which is much more difficult to trade.

### **Supply & Demand**

The amount of goods and services available (supply) compared to the amount of goods and services that people want to buy (demand).

### **Buy-And-Hold**

An investing strategy where an investor buys shares in a company with the intention of maintaining that position over a period typically longer than 12 months.

### **Greed & Fear**

These are emotions that typically lead to losses, when investors get greedy they can lose sight of their investing philosophy & when investors are fearful they may sell out of positions prematurely and incur losses rather than riding out a market cycle.

### **Risk**

The possibility of incurring a loss on your investment. Typically, the larger the potential return, the higher the risk of losing a portion, or your entire, investment.

### **Diversification**

The concept of investing across various industries and asset classes to mitigate risk and avoid putting all of your eggs in one basket.

### **Stock Portfolio**

The \$10,000 simulated portfolio you receive on Rapunzl may be your first real-time stock portfolio! Dive into the investED section on our menu and when you feel ready, place your first trade and start your investing journey!