

# Market Wise: Interactive Learning for Foundational Market Principles and the Stock Market

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## 1 Introduction

Markets have been central to human societies for centuries, evolving from simple barter systems to the intricate and fast-paced global financial markets we see today. Yet, despite their ubiquity and importance, the fundamental principles that govern markets such as supply, demand, and equilibrium—are often misunderstood or overlooked. These foundational ideas are the building blocks of more complex financial systems, but they can feel abstract and inaccessible, especially when taught through traditional text-heavy methods. This gap in understanding leaves many people without the basic framework needed to make sense of broader financial concepts or engage meaningfully with economic systems.

Research indicates that a solid grasp of foundational financial concepts significantly enhances an individual's ability to navigate complex systems and make informed decisions [1]. While financial literacy initiatives often focus on practical skills such as budgeting or saving, this principle extends to understanding the mechanics of markets. Fundamental concepts such as supply, demand, and equilibrium provide a lens through which individuals can better interpret and engage with more advanced financial topics, filling a critical gap in existing educational resources. However, many current tools fail to offer the kind of active and hands-on learning experiences necessary to make these foundational ideas tangible and relatable.

To address this gap, this project introduces an interactive learning platform designed to teach the basic principles of markets in an engaging and intuitive way. By focusing on concepts such as supply, demand, and equilibrium, my platform allows users to experiment, interact, and visualize how these ideas come together to form the basis of market behavior. The goal is not to teach financial literacy or the specifics of stock market operations but rather to equip users with the conceptual tools they need to better understand these topics in the future.

Built using React, a modern framework known for its flexibility and responsiveness, my platform uses dynamic simulations, interactive components, and real-time feedback to make learning immersive and accessible. Users are

invited to manipulate variables, observe results, and draw connections between theory and practice, fostering a deeper and more intuitive understanding of market principles.

This paper outlines the design, development and educational impact of my platform. By offering accessible and interactive foundational learning, the project aims to bridge the gap between abstract market concepts and practical financial understanding, empowering users to approach broader financial topics with confidence and curiosity.

## 2 Problem Context

Many existing tools and resources for teaching market principles such as supply, demand, and equilibrium fail to address critical gaps in accessibility and engagement. Static formats such as text-heavy articles and long videos dominate the educational landscape, making it difficult for learners to connect abstract concepts to real-world applications. These methods often fail to support beginners who benefit from active hands-on learning experiences.

Research highlights the effectiveness of interactive learning approaches, such as simulations and real-time feedback, in improving comprehension and engagement. However, most platforms that adopt these strategies are geared toward advanced users, focusing on complex financial systems or trading strategies [2]. Beginners are often left with tools that either oversimplify concepts or require prior knowledge, creating a significant barrier to entry for understanding foundational market principles.

In addition, social media has introduced new challenges. Although platforms such as YouTube and TikTok offer quick access to financial content, they often prioritize entertainment over depth and accuracy. As a result, learners are inundated with fragmented or misleading information, leaving them without a clear or structured way to build foundational knowledge.

This project addresses these challenges by creating a beginner-friendly platform that emphasizes hands-on learning and dynamic visualizations. By allowing users to experiment with variables such as supply and demand in real-time, my platform provides a practical way to explore market principles. Unlike traditional resources, this approach

focuses on engaging users through interactive simulations that make abstract ideas tangible.

### 3 Technical Background

#### 3.1 Active Learning and Cognitive Engagement

Active learning is a teaching methodology that emphasizes learner engagement through interaction and participation, moving beyond passive consumption of information to create a more immersive learning experience. According to the ICAP Framework by Chi and Wylie [3], cognitive engagement occurs across four levels, each representing an increasing depth of interaction with the material:

1. **Passive Engagement:** Activities such as listening to lectures or reading content, where learners receive information without direct involvement.
2. **Active Engagement:** Includes note-taking, highlighting, or answering simple questions, requiring learners to process and interact with the material to a limited degree.
3. **Constructive Engagement:** Learners generate new understanding by explaining concepts, making inferences, or synthesizing information. This deeper level of engagement fosters critical thinking and independent problem-solving.
4. **Interactive Engagement:** Learners collaborate with peers or engage with interactive tools, such as simulations. These activities encourage co-construction of knowledge, enhancing comprehension and retention.

Their research demonstrates that the constructive and interactive modes lead to significantly deeper learning outcomes. These levels require learners to actively analyze, reorganize, and apply information, promoting critical thinking and long-term retention.

#### 3.2 Constructivism

Constructivism is a learning theory that views knowledge as something learners actively build through their experiences and social interactions. Jean Piaget, a key figure in cognitive development, argued that individuals form mental frameworks by engaging with their environment, integrating new experiences with their existing knowledge. This approach aligns with the goals of this project, where users explore economic concepts such as supply, demand, and market equilibrium through hands-on manipulation of variables and observation of real-time outcomes. By actively engaging in these interactive exercises, learners refine their understanding, reflecting Piaget's idea that cognitive growth

emerges from active experimentation and revision. In addition, Lev Vygotsky's theory of social constructivism emphasizes the role of social interaction and cognitive tools in shaping learning. Vygotsky viewed play as crucial to development, seeing it as a "sandbox" where children practice mediation—using symbolic actions and tools to navigate the world [4]. While this project is not designed for children, Vygotsky's concept of play remains relevant in this context, as the platform allows users to experiment in a low-risk, interactive environment. This environment fosters both cognitive development and practical understanding of economics. Through this process, learners are not just absorbing information but actively constructing knowledge, ultimately gaining a lens through which they can approach other complex financial or economic concepts with new perspectives and the tools to navigate them confidently.

### 4 Prior Work

One platform that significantly influenced my project is CryptoZombies, an innovative tool designed to teach blockchain programming using Solidity through gamified, interactive lessons [5]. CryptoZombies introduces complex topics such as Ethereum smart contracts by breaking them into manageable, step-by-step modules, allowing users to build a zombie-themed game while learning fundamental programming concepts. This incremental and hands-on approach highlights the power of interactivity in simplifying abstract ideas, maintaining user engagement, and fostering deeper understanding. The platform's use of real-time feedback ensures learners can immediately see the results of their efforts, reinforcing key concepts in an intuitive and rewarding way. Moreover, CryptoZombies' accessible, in-browser interface eliminates the need for downloads, further lowering barriers to entry for beginners—a principle I sought to emulate in my own work.

These design principles directly informed the structure of my platform. By adopting methodologies such modular simulations and drag-and-drop activities, my project transforms foundational market concepts—such as supply, demand, and equilibrium—into engaging, tangible experiences. For example, users can manipulate variables such as the number of buyers and sellers in a market and observe in real-time how these changes influence pricing and behavior. Similarly, drag-and-drop games, such as matching market-related terms to their definitions, mirror CryptoZombies' interactive style, allowing users to actively engage with the material. CryptoZombies' ability to make technical education approachable and entertaining through a well-designed user experience demonstrates the potential of gamified learning, a principle I aim to build upon.

Another influential example that informed the design of this platform is Parable of the Polygons, an interactive web-

site created by Vi Hart and Nicky Case that uses engaging simulations to explore abstract concepts and make them more digestible, specifically exploring the effects of small individual biases on societal segregation [6]. Parable of the Polygons relies heavily on interactive learning, encouraging users to actively engage with the simulation through simple yet effective user input. The website introduces concepts with short, digestible explanations, followed by hands-on activities such as dragging and dropping cartoon-like polygons, pressing buttons, and interacting with sliders. These inputs allow users to see the immediate outcomes of their actions, visualized both on the grid and through dynamic feedback, such as graphs that track segregation levels over time. These interactions demonstrate, in real time, how small individual preferences can lead to significant patterns of segregation, aligning with the creators' purpose of making abstract social concepts tangible and relatable. This engaging approach to interactive learning inspired the design of the modules of my platform, particularly the use of drag-and-drop elements and real-time feedback to foster user engagement and deepen understanding of foundational market principles.

A guiding inspiration for my platform's design is Bret Victor's concept of the Ladder of Abstraction, which emphasizes the educational value of shifting between detailed and big-picture views to understand complex systems [7]. In his interactive essay, Victor demonstrates this concept with a car simulation where users can adjust settings such as the turning ability of the car or the shape of the road. As users tweak these variables, they immediately see how the changes influence the car movement and overall behavior. This dynamic interaction allows users to experiment, observe outcomes, and better understand the system's patterns and quirks. Similarly, my platform brings this philosophy to the exploration of complex economic principles such as supply and demand. By allowing users to adjust variables and observe the effects in real time, my platform transforms abstract concepts into tangible, interactive learning experiences. This approach fosters a deeper understanding of how interconnected forces shape the markets, helping users grasp the dynamics of the system as a whole.

## 5 Methods

This section outlines the approach I used to develop an interactive platform for teaching foundational market concepts. The methods were guided by principles of active learning, cognitive engagement, and user-centered design, with iterative refinements based on user testing and feedback.

### 5.1 Tech Stack and Reasoning

I began this project with vanilla HTML, CSS, and JavaScript, relying on my basic web development knowledge to create the landing page and simulations. However, this approach quickly became inefficient, requiring excessive code and frequent file switching, which slowed progress.

After given advice from a classmate, I switched to React, a popular JavaScript library for building dynamic and scalable websites. React's component-based architecture and modern development tools streamlined the process, offering greater flexibility and efficiency compared to vanilla methods.

The project uses a modern tech stack centered on React for modular, reusable interfaces built with JSX. Tailwind CSS provides responsive styling, while shadcn/UI components ensure consistent, accessible design. The React Context API and Hooks (useState, useEffect) manage dynamic updates, and @dnd-kit/core enables interactive drag-and-drop features. Animations powered by Framer Motion enhance the platform's visual appeal.

Development is supported by Node.js, npm, and the Vite build system, offering fast hot module replacement and optimized builds. Together, these tools align the project with industry standards, transforming it into a modern, efficient, and engaging platform.

### 5.2 Design Process

I developed this project with the goal of creating a user-friendly and educational platform that focuses on core market concepts—such as supply, demand, and equilibrium—as well as the foundational principles of the stock market. These concepts were presented through dynamic simulations designed to make abstract ideas more tangible and engaging for learners.

Although much of the content creation and implementation was carried out independently, the feedback of peers and online sources, such as the University of Chicago's Introduction to Supply and Demand lesson [8] and the Corporate Finance Institute's guide on supply and demand [9], were used to gather definitions and explanations of supply, demand, and market equilibrium. For the stock market module, I relied on resources such as Investopedia and other educational websites such as The Economic Times [10] to explain basic stock market terms, ensuring clarity and accessibility for beginners.

### 5.3 User Testing

User testing was conducted to evaluate the effectiveness, usability, and educational impact of the platform. The ses-

sions were concise and focused, with each participant allocating roughly 10 minutes to explore the platform, interact with its features, and provide feedback. Participants were selected to represent a variety of familiarity with economic concepts, from beginners to those with prior knowledge, ensuring diverse perspectives on the usability and clarity of the content of the platform.

Participants were asked to navigate the platform, interact with features such as sliders, simulations, and drag-and-drop activities, and complete simple tasks. Feedback was collected through a Google Docs questionnaire with straightforward prompts, including:

- How clear and engaging did you find the explanations of supply, demand, and market equilibrium?
- Were the interactive features (e.g., sliders, buttons, visualizations) intuitive and easy to use?
- Did the simulations help you understand the relationship between supply, demand, and equilibrium better?
- What did you like most about the platform? What would you improve?

Testing was conducted in two phases. The first phase evaluated the earlier version of the platform built with HTML, CSS, and JavaScript. This provided baseline feedback on usability and comprehension, which informed the transition to a React-based platform. After completing the React-based version, a second round of user testing assessed the impact of new features, such as dynamic simulations, enhanced visualizations, and drag-and-drop games. While these improvements were positively received, not all user-suggested changes were implemented at the time of testing.

Feedback from participants was collected and categorized as usability, content clarity, and engagement. Observations during testing sessions highlighted common user behaviors and challenges, such as ease of navigation and understanding of interactive features. This qualitative data provided valuable insights, informing iterative refinements and identifying areas for further development.

## 5.4 Interactive Modules

The interactive modules were designed to engage users by allowing them to manipulate variables such as the number of buyers and sellers in real-time. These interactions were implemented using sliders, buttons, and dynamic visual elements, providing immediate feedback to the user.

## 5.5 Module 1: Understanding Markets

This module provides a foundational exploration of the principles that drive market behavior, focusing on key ideas

such as supply, demand, and market equilibrium. Its primary aim is to equip learners with the tools and perspectives needed to confidently approach more complex financial and economic concepts. Using interactive simulations, engaging visual tools, and real-world analogies, the module transforms abstract economic principles into tangible, relatable experiences. For demonstration purposes, it utilizes simple yet effective representations: farmers act as sellers, chefs as buyers, and apples as the good being exchanged. This relatable framing makes concepts more digestible and accessible.

The structure of this module is reflected in its directory organization, with each key concept implemented in individual JSX files. These files are integrated into the main Module 1 component, ensuring a cohesive flow when the application is run. This modular design supports seamless navigation and a progressive learning experience.

**Layout of Module 1** Module 1 introduces users to the foundational principles of markets, emphasizing interactive and hands-on exploration of key concepts such as supply, demand, and market equilibrium. Each section is designed to build understanding through relatable scenarios, dynamic visualizations, and interactive components.

**Welcome Overview** The module begins with a welcoming overview, introducing its interactive approach to exploring market concepts. This section sets the stage for an engaging and immersive learning experience.

**Welcome to Module 1**

**Introduction to Markets**

Dive into the foundational principles of markets where concepts like supply, demand, and market equilibrium are made tangible through dynamic simulations and interactive games. Explore how these forces interact to shape prices and influence market behavior. Use engaging tools like the Supply Demonstration and Demand Demonstration to manipulate variables, observe real-time changes, and bridge the gap between theory and practice. Wrap up with a hands-on drag-and-drop activity to uncover how markets achieve balance, making complex economic concepts both accessible and fun!

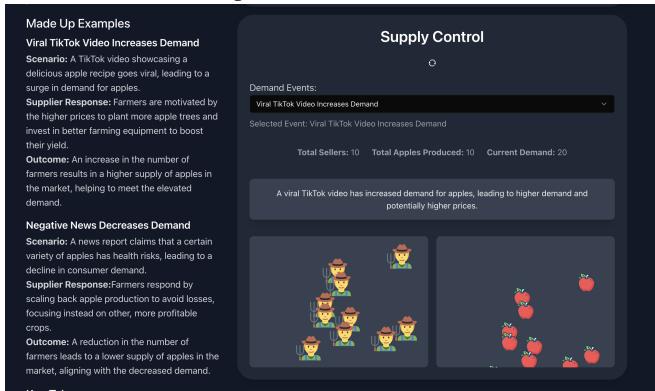
**Introduction to Markets** The introduction establishes the significance of markets in economic systems, highlighting the importance of supply, demand, and equilibrium. It provides context for why these concepts are essential for understanding real-world economies.

**Supply Demonstration** This section introduces the concept of supply using relatable examples such as farmers and apples. Interactive features allow learners to visualize how the number of sellers or external events, such as TikTok

Trends or Economic News, affect supply. Alongside interactive elements, it includes explanatory text to provide a foundational understanding of supply. By emphasizing the relationship between production capacity and external factors, this section makes the concept of supply more tangible.



**Supply Control Box 1: Visualizing Sellers** Users adjust the number of farmers (sellers) in the market using a slider, which visually represents changes on the screen. This interactive approach helps learners intuitively grasp the scale of supply without requiring specific economic calculations. Tools such as shadcn/UI components, including sliders and buttons, enhance the design and ensure a smooth, consistent experience.



**Supply Control Box 2: Exploring Events That Impact Supply** This visualization allows users to explore the effects of external events on supply. Scenarios include:

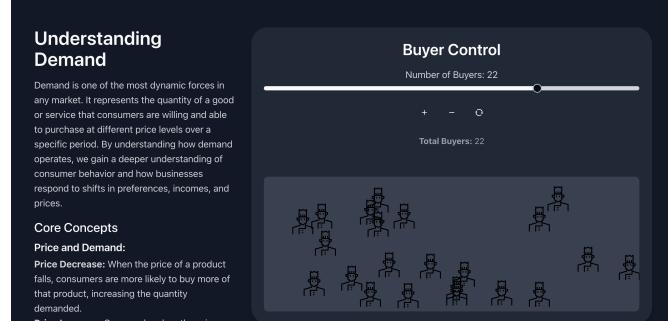
- TikTok Trend:** A viral trend increases demand for apples, requiring farmers to adjust supply.
- Economic News:** Negative news about apple production impacts supply.
- Stable Demand:** A steady market stabilizes supply levels.

Selecting an event dynamically adjusts the simulation, including the number of apples in the market and a bar chart visualizing these changes. This dual representation, visual-

izing sellers and their supply, makes the concept more digestible and easier to understand.

**Demand Demonstration** This section explores the concept of demand using relatable examples such as chefs and apples. Learners can adjust the number of buyers or simulate events such Festive Seasons or Economic Downturns to observe how external factors influence consumer behavior. Alongside interactive features, the section includes explanatory text to build a foundational understanding of demand. By connecting buyer preferences and purchasing power to demand dynamics, it makes these abstract concepts easier to understand.

**Buyer Control Box 1: Visualizing Buyers** The first visualization box focuses on the number of buyers in the market, represented as chefs. Users interact with a slider to adjust the number of chefs displayed on the screen. This control serves as a purely visual representation, aimed at providing learners with an intuitive sense of scale by showcasing the size of the buyer pool within the market. It is not tied to specific economic calculations but instead highlights the concept of buyer presence in a market.



**Buyer Control Box 2: Exploring Events That Impact Demand** The second visualization box introduces external events that affect the demand for apples, the good in focus for this module. Users can select scenarios such as:

- Festive Season:** Increases demand for apples.
- Economic Downturn:** Decreases demand due to reduced purchasing power.

Upon selecting an event, the simulation dynamically adjusts the number of buyers and visualizes the corresponding change in demand. In addition, the demand bar chart is updated in real time to reflect changes, providing a dual-layered visualization of how demand is affected.

rises, consumers may reduce purchases or switch to alternatives, leading to a lower quantity demanded.

**Made-Up Examples**

**Festive Season Drives Demand**  
Scenario: During the festive season, consumers rush to buy apples for recipes and celebrations.  
Consumer Behavior: Chefs and households stock up on apples, leading to a surge in demand.  
Outcome: Prices for apples may increase due to the higher demand.

**Economic Downturn Reduces Demand**  
Scenario: An economic recession causes reduced consumer spending.  
Consumer Behavior: Chefs and households cut back on purchases to save money.  
Outcome: Demand for apples declines, and suppliers may lower prices to incentivize buyers.

**Key Takeaways**  
Price and Demand Relationship: Lower prices

**Market Equilibrium:** In this section, I provided content explaining market equilibrium using relatable examples, such as farmers growing apples and chefs buying them, to illustrate surpluses and shortages. It concludes with an Interactive Terms Matcher activity, where learners match terms such as "Market Equilibrium," "Surplus," "Shortage," "Supply," and "Demand" with their definitions, reinforcing understanding through interactive drag-and-drop learning and effectively wrapping up the first module.

**Understanding Market Equilibrium**

Market equilibrium is like the "sweet spot" in a market. It's the magical moment when the quantity of goods that producers want to sell matches the quantity that consumers want to buy.

**What is Market Equilibrium?**

Market equilibrium occurs where the supply and demand curves meet, determining the equilibrium price and quantity in a market. It's the price where farmers can sell all their apples, and chefs are willing to buy them all.

Imagine farmers growing apples. If prices are too high, chefs might only buy a few, leaving farmers with a surplus of apples. On the other hand, if prices are too low, chefs will want more apples than farmers can produce, leading to a shortage.

The balance happens when chefs and farmers agree on the price and quantity, ensuring neither excess apples nor a lack of supply.

**Wrapping Up**

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**Wrapping Up**

Market equilibrium is a helpful concept for understanding the interaction between supply and demand, but it's important to remember that markets are influenced by many factors and might not always reach this balance. On the right, you'll find an Interactive Terms Matcher designed to reinforce your understanding of key terms through a hands-on activity.

Click me for information on the Interactive Terms Matcher

**Interactive Approach** Module 1 combines several interactive features to create an engaging learning experience:

- Simulation Boxes:** Sliders allow users to control the

number of buyers and sellers, visualizing real-time interactions between supply and demand.

- Events:** Scenarios such as "Festive Season" or "Viral TikTok" dynamically adjust supply and demand to demonstrate the impact of external factors.
- Hover Cards:** Provide quick interactive explanations.
- Drag-and-Drop Games:** Engage learners by matching terms or scenarios to their effects on supply, demand, or equilibrium.

By visualizing market dynamics and participating in hands-on activities, Module 1 lays a solid foundation for users to explore more abstract financial concepts.

## 5.6 Layout of Module 2

Module 2 aimed to use interactive learning to demystify the complexities of how stocks are created, traded, and managed. The module is structured to provide an engaging exploration of Initial Public Offerings (IPOs), stock exchanges, and the roles of indices and investors in the stock market.

**Welcome Overview** This section provides an engaging introduction to the module, setting the stage for an exploration of the concepts of the stock market. Introduces the interactive nature of the module and its focus on hands-on learning.

**Welcome to Module 2**

**Introduction to the Stock Market**

Start a comprehensive exploration of the stock market. Gain a solid understanding of its fundamental principles, delve into key concepts, and discover how it influences the global economy.

**Introduction to the Stock Market**

In Module 1, we introduced the foundational principles of supply and demand and how they can influence prices in a marketplace. The stock market operates with similar mechanisms, though the dynamics are often more complex. For instance, when many investors are eager to buy a company's shares (high demand) while fewer shares are available for sale (low supply), the stock price might rise as buyers compete to acquire shares. Conversely, when more shares are available than investors are willing to buy, prices could decrease as sellers adjust to find buyers.

**A Lens to View the Market**

This explanation provides a simplified view to get us started. The reality of the stock market is far more intricate. Prices don't move solely based on supply and demand—they're also influenced by investor psychology, company performance, industry trends, and global events. Factors like government policies, technological innovation, and even social movements can ripple through the market, influencing not just stock prices but how money flows across sectors. By simplifying these ideas, the goal isn't to ignore the complexity but to give you a way to start thinking about how the market works. Imagine trying to navigate a city without first understanding basic road signs—simplifying helps you grasp the essentials before diving into the deeper, more detailed dynamics.

**Thinking Beyond Stock Prices**

The stock market is about more than just the price of a share. It's a system that allows individuals and institutions to invest in ideas, support innovation, and participate in the growth of businesses. It also reflects collective sentiment—what investors as a group believe about the future. When you see stock prices rise or fall, it's not just numbers moving; it's the result of millions of decisions made by people weighing risks, opportunities, and uncertainties. The market provides an opportunity to think about larger concepts: What drives growth? How do companies adapt to change? What role do investors play in shaping the future of businesses? These questions remind us that the stock market isn't just a place to track prices—it's a way to understand how resources are allocated and how collective decisions shape the world.

**Introduction to Stock Market Concepts** The module begins by laying the groundwork with key concepts of the stock market such as stocks, shares, and exchanges. Through concise and digestible explanations, this section provides a solid starting point for understanding how companies transition to public ownership and trade.

### Starting with Stock Exchanges

Stock exchanges are at the core of the stock market's functionality. These organized platforms connect companies seeking to raise capital with investors who want to grow their wealth. They create a structured and regulated environment where the buying and selling of shares can happen efficiently and transparently. Stock exchanges ensure that every trade is conducted fairly, giving participants confidence in the system. Without them, the process of trading stocks would likely be chaotic and unreliable. But stock exchanges are more than just transaction hubs—they're vital for growth and recovery. When you hear about a company's share price, that number is often the result of countless trades on an exchange, influenced by supply and demand dynamics, investor sentiment, and broader market trends. Exchanges provide the infrastructure that keeps the stock market running smoothly, helping companies and investors connect in meaningful ways.

#### Interactive Prompt

Imagine a bustling marketplace where vendors and buyers come together to exchange goods. A stock exchange functions similarly but operates digitally and deals with ownership stakes in companies rather than physical products. This digital marketplace ensures that trading is efficient and fair, enabling investors to make informed decisions while companies gain access to the funds needed to expand and innovate.

#### What is a Stock Exchange?

##### Definition:

At its simplest, a stock exchange is a marketplace where buyers and sellers trade shares. It's not so different from a physical marketplace where goods are exchanged, except here, the "goods" are ownership stakes in companies. Stock exchanges allow companies to raise funds by issuing shares to the public while giving investors opportunities to buy, sell, and hold these shares. The role of an exchange is not just to facilitate trades but also to ensure that these trades happen fairly and efficiently. This involves enforcing rules, providing information, and maintaining transparency so that both companies and investors can make informed decisions.

#### Why Are Exchanges Important?

##### Importance :

Without stock exchanges, the efficient buying and selling of shares wouldn't be possible. Exchanges provide a regulated and transparent environment, ensuring that trades are conducted fairly. They also play a key role in price discovery, helping determine the market value of shares based on supply and demand dynamics.

When a company lists its shares on an exchange, the value of those shares is determined by what investors are willing to pay (demand) and what sellers are willing to accept (supply). This process reflects the collective judgment of millions of participants and provides insights into the company's perceived value, future potential, and market standing.

If you've ever bought a stock, we expect the supply and demand to be relatively balanced. A stock exchange functions similarly, but instead of goods like apples or oranges, the traded items are shares of companies. When there's a stock market bubble (when buyers bid inflated shares), it means that investors are willing to pay more to acquire the stock. Conversely, if there's an oversupply of shares (more sellers than buyers), prices tend to fall as sellers lower their prices to attract buyers.

This dynamic of supply and demand on an exchange mirrors the principles you've already learned, but in the context of ownership stakes in companies. Understanding how these forces shape stock prices on exchanges provides a foundation for thinking about the broader market and how investors and companies interact.

### Connecting Exchanges to IPOs

Before shares can be traded on a stock exchange, companies must first go through a process called an Initial Public Offering (IPO). This is the moment when a private company becomes a public one, allowing investors to buy shares of ownership. Just as we explored how supply and demand shape markets in Module 1, the IPO process is where these principles come into play for the first time, as companies and investors determine the initial value of shares. The IPO serves as the gateway for a private company to become publicly traded, allowing everyday investors to purchase a stake in the business. It's the first major step in connecting a company to the stock market.

#### What Happens During an IPO?

The IPO process involves multiple stages that set the foundation for a company's journey into public trading. First, the company decides to "go public," usually to raise capital for expansion or operations. Next, underwriters—typically at large financial institutions—assess the company's value and determine the price at which its shares will be offered to the public. Finally, these shares are listed on a stock exchange, making them available for anyone to buy and sell.

#### How Does It Relate to Supply and Demand?

The IPO process is deeply tied to the principles of supply and demand discussed in Module 1. The number of shares a company decides to issue represents the initial supply. The demand for these shares comes from investors interested in owning a piece of the company. If demand is high during the IPO, the initial price of shares may increase. Conversely, if demand is low, the company might adjust its offering price to attract more buyers.

#### Why Do IPOs Matter to Investors and Companies?

For companies, an IPO is a pivotal moment. It provides access to a large pool of capital, enabling growth, innovation, and new opportunities. For investors, IPOs represent a chance to invest early in companies they believe in, often at prices lower than what the shares might trade for later. However, like any market, the process carries risks. Not all IPOs result in successful investments, as market sentiment and economic conditions can impact share prices after they are listed.

#### How It Builds on Module 1

In Module 1, we emphasized the interaction between supply and demand in determining prices. The IPO is where this interaction begins for publicly traded companies. By understanding the IPO process, you can see how supply and demand principles establish the price for a stock's value even before it starts trading on an exchange. This understanding ties back to the broader theme of how markets work and prepares you to think critically about stock market dynamics.

#### How It Connects to Market Dynamics

These concepts create a bridge between the theoretical ideas of supply and demand and the practical realities of the stock market, helping to deepen your understanding of how shares are introduced and valued.

#### IPO Process Terms & Definitions

**Understanding IPOs** This section explores the IPO process, breaking it down into digestible steps such as underwriting, public trading, and post-IPO dynamics. Interactive hover cards allow users to dive deeper into each stage, while engaging visuals help simplify the complex lifecycle of IPOs.

#### What Happens After the IPO?

Imagine this: A company has just gone through its IPO, marking its transition from private to public ownership. Think of it like a small bakery that's grown into a franchise. Now, instead of selling pastries only to local customers, the bakery offers ownership shares to the public, allowing anyone to invest in its success.

At this stage, the shares move into what's called the primary market. This is where the company sells its shares directly to investors, much like the bakery handing out shares at its grand opening to raise funds for new equipment and expansion. But the excitement doesn't stop there.

##### What is the Primary Market?

Imagine the primary market as the first place where a company sells shares directly to investors, raising funds for growth and new opportunities.

After the grand opening, the shares begin trading in the secondary market. This is where the magic of the stock market comes to life—investors start buying and selling shares amongst themselves. It's like the bakery's loyal customers now trading recipes or tips, with the bakery itself no longer directly involved.

##### What is the Secondary Market?

The secondary market is where shares are traded among investors after the IPO. It's a space where stock values are shaped by market forces.

In the secondary market, stock prices are influenced by countless factors—how well the bakery (or company) is performing, whether a new competitor enters the scene, or even shifts in customer preferences. It's a dynamic environment driven by supply and demand, where prices fluctuate based on what buyers and sellers think the shares are worth.

##### Factors That Can Drive Stock Prices

Stock prices are influenced by a variety of factors that extend beyond simple supply and demand. Key drivers include the company's financial performance, such as revenue and profit growth, which signal stability or potential for expansion. Broader economic indicators, like inflation rates or changes in consumer spending, can also affect investor confidence and stock valuations. Market trends, such as industry-specific developments or competitor actions, play a significant role in shaping sentiment. Additionally, external factors like political events, regulatory changes, and global incidents (e.g., natural disasters or pandemics) can ripple through the market, impacting stock prices. Lastly, investor behavior, driven by emotions like fear or optimism, often causes prices to rise or fall independently of fundamental factors. The goal of the exercise is to provide an initial understanding of these forces, helping you see how interconnected decisions, events, and emotions shape the market's perception of those companies over time. This interplay between buyers and sellers creates a vibrant, ever-changing ecosystem that reflects the heartbeat of the economy.

Understanding what happens after an IPO helps you see the bigger picture of the stock market. It's not just about companies raising funds; it's about how investors shape the market's perception of those companies over time. This interplay between buyers and sellers creates a vibrant, ever-changing ecosystem that reflects the heartbeat of the economy.

**Key Concepts in Stock Trading** Users explore critical concepts such as indices, dividends, and the roles of investors. Terms are presented in a hoverable card format, providing clear timely explanations. This format ensures

that users grasp the importance of these concepts in the broader stock market context.

#### Connecting Exchanges to IPOs

Before shares can be traded on a stock exchange, companies must first go through a process called an Initial Public Offering (IPO). This is the moment when a private company becomes a public one, allowing investors to buy shares of ownership. Just as we explored how supply and demand shape markets in Module 1, the IPO process is where these principles come into play for the first time, as companies and investors determine the initial value of shares. The IPO serves as the gateway for a private company to become publicly traded, allowing everyday investors to purchase a stake in the business. It's the first major step in connecting a company to the stock market.

#### What Happens During an IPO?

The IPO process involves multiple stages that set the foundation for a company's journey into public trading. First, the company decides to "go public," usually to raise capital for expansion or operations. Next, underwriters—typically at large financial institutions—assess the company's value and determine the price at which its shares will be offered to the public. Finally, these shares are listed on a stock exchange, making them available for anyone to buy and sell.

#### How Does It Relate to Supply and Demand?

The IPO process is deeply tied to the principles of supply and demand discussed in Module 1. The number of shares a company decides to issue represents the initial supply. The demand for these shares comes from investors interested in owning a piece of the company. If demand is high during the IPO, the initial price of shares may increase. Conversely, if demand is low, the company might adjust its offering price to attract more buyers.

#### Why Do IPOs Matter to Investors and Companies?

For companies, an IPO is a pivotal moment. It provides access to a large pool of capital, enabling growth, innovation, and new opportunities. For investors, IPOs represent a chance to invest early in companies they believe in, often at prices lower than what the shares might trade for later. However, like any market, the process carries risks. Not all IPOs result in successful investments, as market sentiment and economic conditions can impact share prices after they are listed.

#### How It Builds on Module 1

In Module 1, we emphasized the interaction between supply and demand in determining prices. The IPO is where this interaction begins for publicly traded companies. By understanding the IPO process, you can see how supply and demand principles establish the price for a stock's value even before it starts trading on an exchange. This understanding ties back to the broader theme of how markets work and prepares you to think critically about stock market dynamics.

#### How It Connects to Market Dynamics

These concepts create a bridge between the theoretical ideas of supply and demand and the practical realities of the stock market, helping to deepen your understanding of how shares are introduced and valued.

#### IPO Process Terms & Definitions

**Interactive Drag-and-Drop Games** To reinforce the concepts learned, users participate in interactive drag-and-drop games that include:

**Game 1: IPO Lifecycle** Match the steps of an IPO process (e.g., underwriting, public trading) in the correct order, with real-time feedback and shuffle/reset options.

**Game 2: Stock Market Roles** Users match key terms such as "indices" with their definitions or roles in the stock market.

**Game 3: Post-IPO Behavior** Users match actions, such as "stock buybacks" or "dividend payments," to relevant post-IPO scenarios.

**Interactive Approach** Module 2 integrates several interactive features to enhance learning:

- Hover Cards:** Provide concise explanations for terms such as IPOs, indices, and dividends, using shadcn/UI components for an intuitive experience.
- Drag-and-Drop Games:** Reinforce learning with engaging activities built using @dnd-kit, featuring feedback, reset, and shuffle options.
- Visual Elements:** Present dynamic and relatable visualizations to explain abstract stock market concepts.

## 5.7 Simulations

The simulations section serves as the core interactive component of the platform, allowing users to explore market and stock market concepts in an engaging, hands-on manner. Located at the bottom of the landing page are

four simulations, each designed to provide a practical understanding of abstract concepts through user-driven interactivity.

The screenshot shows the platform's main interface. At the top, there is a green header bar with the word "Modules". Below it, there are two green cards labeled "Module 1: Understanding Markets" and "Module 2: Understanding the Stock Market", each with a "Start Now" button. A small text below the cards reads: "Explore two foundational modules designed to introduce you to the key concepts that pave the way to understanding the stock market." The "Module 1" card has a sub-section: "Module 1: Understanding Markets. Learn the basic principles of markets, including how supply and demand interact to influence prices, and the fundamental factors that drive market behavior." The "Module 2" card has a sub-section: "Module 2: Understanding the Stock Market. Build on the basics by diving into how stock markets work, exploring concepts like stocks, shares, and how market dynamics impact pricing and trading." Below the modules, there is a section titled "Interactive Simulations" with four green cards: "Interactive Buyer-Seller Price Simulator", "Market Equilibrium Matcher", "Investor Indices Matcher", and "Stocks and Shares Matcher", each with a "Start Now" button.

**Large Supply and Demand Simulation** This simulation models market behavior by allowing users to adjust the number of buyers and sellers in real-time. It consists of:

**Buyer and Seller Controls:** Users interact with sliders to modify the number of buyers (chefs) and sellers (farmers) in the market, visualizing changes dynamically. **Price Chart:** A bar chart dynamically updates to reflect changes in equilibrium prices based on user input.

This simulation helps users intuitively grasp how individual decisions by buyers and sellers influence market outcomes, making the dynamics of supply and demand more relatable and easier to understand.

The screenshot shows the "Market Simulation" interface. At the top, there is a green header bar with the title "Market Simulation". Below it, there is a welcome message: "Welcome to the Market Simulation, where you can explore the foundational principles of **supply** and **demand** and their influence on **market prices**." In the middle, there is a text block: "In this simulation, **buyers** are represented by **cooks** who need to purchase goods, and **sellers** are portrayed as **farmers** providing these goods. You have the power to adjust the numbers of buyers and sellers using interactive sliders and buttons, observing how these changes impact the balance between supply and demand." Below this, there is another text block: "While this simulation focuses on foundational concepts, the real world involves additional factors such as market sentiment, economic conditions, and external shocks. By exploring these basics, you can better understand how supply and demand interact to influence prices and market behavior." At the bottom, there is a section titled "Observe how your adjustments create different market scenarios:" with a list: "More cooks than farmers? Prices rise as demand outpaces supply.", "More farmers than cooks? Prices fall as supply exceeds demand.", and "Balanced numbers? The market stabilizes near an equilibrium price." Finally, there is a note: "Dive in and experiment with various scenarios to gain insights into these fundamental principles and build a stronger understanding of market behavior."



**The other simulations, which are all drag-and-drop focused, are built using a shared component to ensure consistency and interactivity across modules. Each game reinforces learning by engaging users in matching activities tailored to specific topics, with features such as shuffling for replayability and real-time feedback through a submit button to enhance the experience.**

**Market Equilibrium Drag-and-Drop Game** Located at the end of Module 1, this simulation reinforces learning of supply, demand, and market equilibrium. Users match terms such as "Surplus" and "Shortage" to their definitions through an interactive drag-and-drop interface.

**Investor Indices Drag-and-Drop Game** Part of Module 2, this simulation introduces users to key stock market indices, such as NASDAQ and Dow Jones. Users match terms to definitions or real-world roles, helping to demystify indices and improve understanding of their functions in financial markets.

**Stocks and Shares Drag-and-Drop Game** Also part of Module 2, this simulation focuses on post-IPO dynamics, such as stock buybacks, dividends, and corporate actions. Users interact with scenario-based events and hover cards to connect terms such as Stock, Shareholder, Dividend, IPO, and Market Capitalization to real-world applications.

## 6 Evaluation Metrics Results

To evaluate the success of the project, the following metrics were analyzed: feature completeness, concept visualization, and user testing. These metrics collectively assess whether the platform achieves its goals of being an interactive, educational tool that simplifies complex economic and financial concepts.

### 6.1 Feature Completeness

The evaluation focused on verifying whether the platform successfully implements all planned features and aligns with its design objectives. Core features such as interactive sliders, event-driven simulations, dynamic visualizations, and drag-and-drop games were assessed for functionality and integration.

### 6.2 Concept Visualization

The evaluation examined the platform's ability to visually represent economic concepts clearly and accurately. Bar charts, demand-supply curves, and other visual elements were validated to ensure they accurately reflect underlying data and theories. Real-time responsiveness and synchronization of visual components, such as sliders updating charts, were tested to confirm consistency and conceptual clarity.

### 6.3 User Testing

User testing was conducted to assess interactivity, UI appeal, and conceptual understanding. Participants were observed interacting with the platform to determine whether the interface was intuitive and engaging. Surveys and feedback sessions evaluated whether users appreciated the design and whether they gained a conceptual understanding of supply and demand.

For user testing, participants with varied levels of familiarity with economics were selected to gain diverse perspectives. Each participant was tasked with navigating the modules, using features such as sliders, event triggers, and drag-and-drop games. Observations and feedback were collected to understand how well the platform delivered its intended learning outcomes and to identify areas for improvement.

## 7 Results

The results of this project reflect both the successes and areas for growth in achieving the goal of equipping users with the conceptual tools to better understand economic and financial concepts when approached with them, rather than teaching financial literacy and other abstract concepts.

### 7.1 Learning and Implementation

A significant achievement of this project was the opportunity to learn and apply a new framework. By adopting **React** and leveraging modern tools such as **Vite** and **Tailwind CSS**, I was able to build a dynamic, interactive platform. This process enabled me to implement features such

as *event-driven simulations*, *sliders*, *drag-and-drop games*, as well as other interactive components such as *hover cards* and *dynamic visualizations*, providing me a strong technical foundation for future work.

## 7.2 Interactivity

Interactivity was a key focus of this project, and it largely succeeded in making abstract economic concepts more tangible. Simulations allowed users to manipulate variables such as supply and demand and observe immediate effects, while visualizations such as bar charts updated dynamically in response to user input. Feedback suggested that these features were engaging and effective, although some users noted that clearer instructions or additional context could enhance their experience.

## 7.3 User Interface and Experience

Feedback on the **UI design** was positive. The users found the platform clean, visually appealing, and easy to navigate, which contributed to a smooth and pleasant experience. Features such as smooth scrolling, responsive layout, and hover cards received specific praise. However, there was room for improvement to ensure that interactive elements, such as drag-and-drop games, were more intuitive and had clearer objectives.

## 7.4 Educational Content

When evaluating educational content, users were asked if they felt more prepared to approach financial concepts after using the platform. The general feedback was positive, with many users mentioning that the interactive simulations helped them better understand the foundational principles of the market. Although the platform did not aim to teach comprehensive financial literacy or stock market specifics, users felt more confident in grasping key ideas such as supply, demand, and equilibrium. This indicates that the platform met its goal of providing users with conceptual tools to better engage with more advanced financial topics later on.

However, it is clear that there is still work to be done in terms of refining and expanding educational content. Future work could focus on providing additional context, more diverse real-world examples, and a deeper exploration of related topics to ensure that users are not only better prepared to approach basic financial concepts but are also equipped to navigate the complexities of modern economic systems. Feedback suggested that while the use of relatable examples, such as farmers and chefs, helped simplify concepts, users would benefit from even more diverse scenarios and a deeper connection to real-world applications to fully engage with and internalize the material.

## 7.5 Challenges and Areas for Improvement

While the platform met many of its goals, challenges arose in integrating complex interactivity and managing performance under certain conditions. For example, triggering multiple events simultaneously occasionally slowed updates, and some visualizations required more detail to fully engage new learners. Additionally, balancing the level of abstraction with clarity proved challenging, with some users requesting more explicit links between simulations and real-world scenarios.

## 7.6 Summary

The project delivered a platform with engaging simulations, dynamic visualizations, and an interactive interface. Positive feedback on interactivity and UI design validated many design decisions, although significant improvements could come from improving educational content, improving clarity in instructions, and connecting concepts more explicitly with real-world applications. These insights provide a strong foundation for enhancing my platform in future iterations.

## 8 Ethical Considerations

**Ensuring Credibility and Transparency:** A key challenge was ensuring the accuracy and transparency of the information. Financial markets are complex and interpretations often vary. As a student, my insights are based on publicly available resources rather than professional expertise. As a student passionate about financial markets, I recognize that my insights come from publicly available resources, not from professional certification. Although I did not state this explicitly, my aim was to help users think critically and explore expert resources for a deeper understanding, though I recognize that this may not have been fully achieved.

**Ethical Boundaries on Trading Content:** Initially, I considered including advanced topics such options and derivatives. However, I decided against it to avoid encouraging trading without proper understanding, which could cause financial harm. Instead, the platform focuses on foundational concepts such supply, demand, and equilibrium to spark curiosity about markets without promoting trading strategies.

**Making Concepts Accessible:** To ensure that the content in Module 1 was easy to understand, I used concise explanations paired with relatable, made-up scenarios such as farmers and chefs exchanging apples. This approach helps anyone, regardless of their background, grasp the essentials of market behavior in an engaging and approachable way.

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