

Academic Lesson: the dot com boom

Grade Level: Middle School (Grades 6-8)

Date: March 19, 2025

Lesson Description:

This lesson will explore the dot-com boom of the late 1990s, including its key events, players, and consequences. Students will learn about the technological advancements and market trends that led to this phenomenon, as well as its impact on society and the economy.

Learning Expectations:

1. Students will be able to explain the main causes and characteristics of the dot-com boom.
2. Students will be able to identify and describe the key players, such as companies and entrepreneurs, involved in the boom.
3. Students will analyze the impact of the dot-com boom on the economy and society.
4. Students will evaluate the long-term effects of the dot-com boom on the technology and business industries.

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THE DOT COM BOOM

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LESSON CONTENT

The dot-com boom, also known as the Internet bubble, was a period of rapid growth and speculation in the technology industry during the late 1990s. The boom was characterized by the rapid increase in the price of internet-related companies and the enthusiasm for investing in these companies.

The main causes of the dot-com boom were the rapid growth of the internet and the emergence of new business models based on online transactions, such as e-commerce, and the increasing accessibility of high-speed internet connectivity.

Key players involved in the dot-com boom included companies like Amazon, eBay, and Yahoo!, as well as entrepreneurs like Peter Thiel and Nathan Myhrvold. These companies and entrepreneurs were able to capitalize on the growing demand for online services and the increasing accessibility of high-speed internet connectivity.

The dot-com boom also created new business opportunities and industries, such as online advertising and e-commerce. However, the boom was also marked by rapid growth and inflation, leading to speculation and investment bubbles.

Relevant Examples:

1. The rise of Amazon from an online bookstore to a global e-commerce platform. 2. The sale of Yahoo! to AOL in 2001 for \$5.7 billion. 3. The rapid growth of e-commerce companies like eBay and PayPal.

KEY POINTS

1. The dot-com boom was a period of rapid growth and speculation in the technology industry during the late 1990s. 2. The boom was caused by the rapid growth of the internet and the emergence of new business models based on online transactions. 3. Key players involved in the dot-com boom included companies like Amazon, eBay, and Yahoo! , as well as entrepreneurs like Peter Thiel and Nathan Myhrvold. 4. The boom created new business opportunities and industries, such as online advertising and e-commerce. 5. The boom was marked by rapid growth and inflation, leading to speculation and investment bubbles. 6. The dot-com boom ended in 2000 with the unexpected collapse of the internet bubble. 7. The dot-com boom had a lasting impact on the technology and business industries.

REVIEW QUESTIONS

1. Who were some of the key players involved in the dot-com boom? 2. What were some of the main causes of the dot-com boom? 3. What were some of the consequences of the dot-com boom on the economy and society? 4. How did the dot-com boom impact the technology and business industries? 5. What were some of the characteristics of the dot-com bubble? 5. What were some of the factors that led to the collapse of the dot-com bubble? Answers: 1. Companies like Amazon, eBay, and Yahoo! , as well as entrepreneurs like Peter Thiel and Nathan Myhrvold. 2. The rapid growth of the internet and the emergence of new business models based on online transactions. 3. The collapse of the dot-com bubble led to a decline in the stock market and a loss of wealth for investors. 4. The dot-com boom had a lasting impact on the technology and business industries. 5. Characteristics of the dot-com bubble included rapid growth and inflation, leading to speculation and investment bubbles. 6. The dot-com bubble collapsed in 2000 due to a combination of factors, including overvaluation of internet companies and the decline in the demand for internet services.

QUIZ

1. Who was the founder of Amazon? a) Jeff Bezos b) Peter Thiel c) Bill Gates d) Mark Zuckerberg
2. What was the year the dot com bubble collapsed? a) 2000 b) 2001 c) 2002 d) 2003
3. Which company sold Yahoo for \$1.3 billion in 1999? a) Microsoft b) Amazon c) eBay d) Time Warner
4. Who was the CEO of Yahoo in 1998? a) Jerry Yang b) Peter Thiel c) Mark Zuckerberg d) Tim Armstrong

5. What was the name of the company that was one of the first e-commerce platforms? a) eBay b) Amazon c) PayPal d) Yahoo
6. When did eBay list on the open market for the first time? a) 1995 b) 1998 c) 2001 d) 2003
7. What was the name of the company that funded the first successful internet startup? a) Qualcomm b) Intel c) Microsoft d) Digital Equipment Corp.
8. Which company developed the popular Netscape web browser? a) Google b) Apple c) Microsoft d) Netscape
9. Which company developed the famous graphics card company that made x86 single-board computers? a) Intel b) Google c) Microsoft d) Amada Corporation
10. When did the Internet infrastructure grew by 10 percent annually between 1996 and 1998? a) 1997 b) 1998 c) 1999 d) 2000

Answer Key:

1. a) Jeff Bezos 2. a) 2000 3. a) Microsoft 4. a) Jerry Yang 5. b) Amazon 6. c) 2001 7. none (The Facilitators Note can be filled though) 8. a) Netscape 9. none 10. c) 1999

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Background Knowledge:

- The dot-com boom was a phenomenon that occurred in the late 1990s, characterized by rapid growth and speculation in the technology industry.
- The boom was caused by the rapid growth of the internet and the emergence of new business models based on online transactions.
- The boom created new business opportunities and industries, such as online advertising and e-commerce.

Teaching Strategies:

- Use diagrams to illustrate how the internet works and the different types of websites.
- Show real-life examples of companies that were part of the dot-com boom and how they have evolved.
- Use case studies to analyze the successes and failures of companies in the boom.
- Ask students to create their own business plans for a company that could benefit from the growth of the internet.

Additional Resources:

- Books: "The Run of His Life: The People vs. O.J. Simpson" by Jeffrey Toobin and "Blue Ocean Strategy" by W. Chan Kim and Renée Mauborgne
- Websites: CNN's "The Dot Com Bubble" and History.com's "The Dot-Com Bubble of 2000"
- Online Resources: Investopedia's "Dot Com Bubble" and eWhosHub's "The Dot Com Bubble"

Tips for Addressing Common Misconceptions:

- Some students may think that the dot-com boom was a fair and rational phenomenon that was not followed by a bubble. Encourage students to think about why the boom was actually a speculative phenomenon.
- Some students may think that the dot-com boom was only about the technology industry. Encourage students to think about how the boom impacted other industries and aspects of society.
- Some students may ask why the boom collapsed. Encourage students to think about the factors that led to the collapse and how they can apply those insights to future events.

WORKSHEET

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Dot-Com Boom Comprehension Worksheet

1. What were some of the main causes of the dot-com boom? a) The rapid growth of the internet and the emergence of new business models based on online transactions. b) The launch of new toys and gadgets in 1998 c) The end of World War II d) The invention of the television set

Answer: a) The rapid growth of the internet and the emergence of new business models based on online transactions.

2. Which company was one of the first e-commerce platforms? a) eBay b) Amazon c) PayPal d) Yahoo

Answer: b) Amazon.

3. What was the name of the company that was one of the first e-commerce platforms? a) eBay b) Amazon c) PayPal d) Yahoo

Answer: a) eBay.

4. When did the dot-com bubble collapse? a) 1998 b) 1999 c) 2000 d) 2001

Answer: c) 2000.

5. Which company sold Yahoo for \$5.7 billion in 2001? a) Microsoft b) Amazon c) eBay d) AOL

Answer: d) AOL.

6. Who was the founder of Amazon? a) Jeff Bezos b) Peter Thiel c) Bill Gates d) Mark Zuckerberg

Answer: a) Jeff Bezos.

7. What were some of the characteristics of the dot-com bubble? a) Slow growth and deflation b) Rapid growth and inflation c) High interest rates and low inflation d) Low growth and high interest rates

Answer: b) Rapid growth and inflation.

8. How did the dot-com boom impact the technology and business industries? a) It led to a decline in the growth of both industries b) It led to a decline in the growth of the technology industry, but a rise in the business industry c) It created new business opportunities and industries, such as online advertising and e-commerce d) It had no impact on either industry

Answer: c) It created new business opportunities and industries, such as online advertising and e-commerce.

9. Who were some of the key players involved in the dot-com boom? a) Amazon b) eBay c) Yahoo! d) All of the above

Answer: d) All of the above.

10. What was the year the dot com bubble collapsed? a) 1998 b) 1999 c) 2000 d) 2001

Answer: c) 2000.

Answers:

1. a) The rapid growth of the internet and the emergence of new business models based on online transactions. 2. a) eBay 3. a) eBay 4. c) 2000 5. d) AOL 6. a) Jeff Bezos 7. b) Rapid growth and inflation 8. c) It created new business opportunities and industries, such as online advertising and e-commerce 9. d) All of the above. 10. c) 2000.

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REFERENCES

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