

DO: M1P1 - Stocks and Stock Sectors Assignment

Due Jan 5 at 11:59pm	Points 30	Questions 10
Available until Mar 20 at 11:59pm	Time Limit None	Allowed Attempts 3

Instructions


Read the following information that describes the different stock sectors and then answer the questions.

You have three attempts on this assignment.

Materials

A company with a core business that involves taking some raw material or natural resource and, through a process, converting it into something more useful is almost always labeled a materials stock. Many chemical companies, mining companies, metals businesses and logging companies are in the materials sector, as are some oil and natural gas stocks.

Major examples:




Rio Tinto (ticker: **RIO**  (<https://money.usnews.com/investing/stocks/rio-rio-tinto-shs-sponsored-american-deposit-receipts-repr-sh>)), Vale S.A. (**VALE**  (<https://money.usnews.com/investing/stocks/vale-vale-shs-sponsored-american-deposit-receipt-repr-sh>)), Ecolab (**ECL**  (<https://money.usnews.com/investing/stocks/ecl-ecolab-inc>)),


Linde Plc (LIN), DuPont de Nemours Inc. (DD), Dow Inc, (DOW).

Industrials

Although perhaps more loosely defined than some of the other stock sectors, industrial sector stocks tend to either be involved directly in the production of capital goods like aircraft, electrical equipment, industrial machinery and the like or the provision of transportation services and infrastructure. Many of America's most iconic blue-chip companies hail from the industrial sector, with many also playing a historic role in the evolution of U.S. society and American military might.

Major examples:

Boeing Co. (**BA**  (<https://money.usnews.com/investing/stocks/ba-boeing-co>)), Lockheed Martin Corp. (**LMT**  (<https://money.usnews.com/investing/stocks/lmt-lockheed-martin-corp>)), General Electric Co. (**GE**  (<https://money.usnews.com/investing/stocks/ge-general-electric-co>)),

Caterpillar (**CAT**  (<https://money.usnews.com/investing/stocks/cat-caterpillar-inc>)) and 3M Co. (**MMM**  (<https://money.usnews.com/investing/stocks/mmm-m-co>)),

Financials

There has probably never been so stark and empirical a rebuttal to the glib aphorism, “All press is good press,” than financial sector stocks in the midst of the Great Recession. Banks were failing left and right, with many small- or mid-cap names going bankrupt or being bought out for pennies on the dollar. Even some of the biggest names on Wall Street – like Bear Stearns and Lehman Brothers – failed or were bailed out. A decade later, financials have still not recovered their reputation. The largest banks today are much more gargantuan than they were in the financial crisis.

Major examples:

Bank of America Corp. ([BAC](https://money.usnews.com/investing/stocks/bac-bank-of-america-corp) → [_](https://money.usnews.com/investing/stocks/bac-bank-of-america-corp)), Visa ([V](https://money.usnews.com/investing/stocks/v-visa-inc) → [_](https://money.usnews.com/investing/stocks/v-visa-inc)), PayPal Holdings ([PYPL](https://money.usnews.com/investing/stocks/pypl-paypal-holdings-inc) → [_](https://money.usnews.com/investing/stocks/pypl-paypal-holdings-inc)),

Berkshire Hathaway ([BRK.A](https://money.usnews.com/investing/stocks/brka-berkshire-hathaway-inc-ordinary-shares-class-a) → [_](https://money.usnews.com/investing/stocks/brka-berkshire-hathaway-inc-ordinary-shares-class-a)), [BRK.B](https://money.usnews.com/investing/stocks/brkb-berkshire-hathaway-inc-ordinary-shares-class-b) → [_](https://money.usnews.com/investing/stocks/brkb-berkshire-hathaway-inc-ordinary-shares-class-b)), JPMorgan Chase & Co. ([JPM](https://money.usnews.com/investing/stocks/jpm-jpmorgan-chase-co) → [_](https://money.usnews.com/investing/stocks/jpm-jpmorgan-chase-co)), Goldman Sachs Group Inc. ([GS](https://money.usnews.com/investing/stocks/gs-goldman-sachs-group-inc) → [_](https://money.usnews.com/investing/stocks/gs-goldman-sachs-group-inc))

Energy

Businesses that provide the services and equipment allowing companies to extract sources of energy from the earth are considered a part of this sector, as are most of the companies that do the exploration, production, refining and marketing of fossil fuels like oil, natural gas and coal. Oilfield services companies are considered energy stocks, even if they just help locate a reservoir for a larger company or if they sell the equipment, fluids and materials necessary for horizontal fracturing, known as fracking.

Major examples:

Exxon Mobil Corp. ([XOM](https://money.usnews.com/investing/stocks/xom-exxon-mobil-corp) → [_](https://money.usnews.com/investing/stocks/xom-exxon-mobil-corp)), Schlumberger ([SLB](https://money.usnews.com/investing/stocks/slb-schlumberger-nv) → [_](https://money.usnews.com/investing/stocks/slb-schlumberger-nv)), Kinder Morgan ([KMI](https://money.usnews.com/investing/stocks/kmi-kinder-morgan-inc) → [_](https://money.usnews.com/investing/stocks/kmi-kinder-morgan-inc)), Halliburton Co. ([HAL](https://money.usnews.com/investing/stocks/hal-halliburton-co) → [_](https://money.usnews.com/investing/stocks/hal-halliburton-co)),

Chevron Corp. (CVX), Conoco Phillips (COP).

Consumer Discretionary

Sometimes a name can say it all. Consumer discretionary is one of the more aptly named stock sectors; companies within it market their products and services to consumers, not businesses, and what they sell is generally bought with discretionary income; they're not hawking day-to-day necessities. Though

admittedly a generalization, the sector is also sometimes known as consumer cyclical, which makes sense when you consider some industries it encompasses: automobiles, apparel, hotels, restaurants, leisure-related businesses and luxury goods, to name a few.

Major examples:

Carnival Corp. (**CCL** → <https://money.usnews.com/investing/stocks/ccl-carnival-corporation>), Grubhub (**GRUB** → <https://money.usnews.com/investing/stocks/grub-grubhub-inc>), Lululemon Athletica (**LULU** → <https://money.usnews.com/investing/stocks/lulu-lululemon-athletica-inc>), Party City (**PRTY** → <https://money.usnews.com/investing/stocks/prty-party-city-holdco-inc>),

Amazon.com (AMZN), The Home Depot Inc. (HD), Nike Inc. (NKE).

Information Technology

Arguably the premier stock market sector of the 21st century, information technology contains pretty much all the essential industries to today's internet-powered, device-driven world. Broadly speaking, software, hardware and semiconductors are the three pillars of this sector, which is geographically dominated by Silicon Valley.

Major examples:

Apple (**AAPL** → <https://money.usnews.com/investing/stocks/aapl-apple-inc>), Cisco Systems (**CSCO** → <https://money.usnews.com/investing/stocks/cSCO-cisco-systems-inc>), Intel Corp. (**INTC** → <https://money.usnews.com/investing/stocks/intc-intel-corp>), Oracle (**ORCL** → <https://money.usnews.com/investing/stocks/orcl-oracle-corp>),

Microsoft Corp. (MSFT), PayPal Holdings Inc. (PYPL).

Communication Services

One of the newest stock market sectors is communication services, which was formerly known as the telecom sector and was redefined in fall 2018. Decades of mergers and consolidation in the arena had made telecom an ultra-concentrated and practically irrelevant sector market-cap wise, and something else was happening, too. Efficient data transmission became increasingly important, and a torrential stream of popular new content that attracted billions of eyeballs demanded smooth and reliable distribution. Today, the communication services sector loosely refers to companies that offer such services (like traditional telecoms) and media and entertainment companies that facilitate communication but also have their own content.

Major examples:

Verizon Communications (**VZ** → <https://money.usnews.com/investing/stocks/vz-verizon-communications-inc>), Facebook (**FB** → <https://money.usnews.com/investing/stocks/fb-facebook-inc>), Walt Disney Co.

(**DIS** [↗](https://money.usnews.com/investing/stocks/dis-walt-disney-company) [_](https://money.usnews.com/investing/stocks/dis-walt-disney-company)), Comcast Corp. (**CMCSA** [↗](https://money.usnews.com/investing/stocks/cmcsa-comcast-corp) [_](https://money.usnews.com/investing/stocks/cmcsa-comcast-corp)),

AT&T Inc. (T).

Real Estate

One of the fastest-growing parts of the market in recent decades has been real estate, embodied most clearly by the rise of the real estate investment trust. An REIT is a tax-advantaged investment vehicle that can give retail investors a convenient way to gain easy exposure to the cash flows that come with real estate ownership, but without the massive capital outlay required. All REITs except mortgage REITs are contained in this sector; mortgage REITs are found in the financial sector. Also, real estate development companies and management companies fall under this umbrella.

Major examples:

Redfin Corp. (**RDFN** [↗](https://money.usnews.com/investing/stocks/rdfn-redfin-corp) [_](https://money.usnews.com/investing/stocks/rdfn-redfin-corp)), American Tower Corp. (**AMT** [↗](https://money.usnews.com/investing/stocks/amt-american-tower-corp) [_](https://money.usnews.com/investing/stocks/amt-american-tower-corp)), Simon Property Group (**SPG** [↗](https://money.usnews.com/investing/stocks/spg-simon-property-group-inc) [_](https://money.usnews.com/investing/stocks/spg-simon-property-group-inc)), Public Storage (**PSA** [↗](https://money.usnews.com/investing/stocks/psa-public-storage) [_](https://money.usnews.com/investing/stocks/psa-public-storage)),

Equinix Inc. (EQIX).

Health Care

Both on Wall Street and Main Street, health care is another sector that's been growing faster than the wider economy, accounting for an ever-larger percentage of Americans' expenses (and hopefully, portfolios). You've got two broad sides of health care when it comes to its classification in the stock market: the medical device manufacturers and medical services providers on one hand, and the actual biotech and pharmaceutical products – the drugs themselves – on the other.

Major examples:

Johnson & Johnson (**JNJ** [↗](https://money.usnews.com/investing/stocks/jnj-johnson-johnson) [_](https://money.usnews.com/investing/stocks/jnj-johnson-johnson)), Pfizer (**PFE** [↗](https://money.usnews.com/investing/stocks/pfe-pfizer-inc) [_](https://money.usnews.com/investing/stocks/pfe-pfizer-inc)), McKesson Corp. (**MCK** [↗](https://money.usnews.com/investing/stocks/mck-mckesson-corp) [_](https://money.usnews.com/investing/stocks/mck-mckesson-corp)), Abbott Laboratories (**ABT** [↗](https://money.usnews.com/investing/stocks/abt-abbott-laboratories) [_](https://money.usnews.com/investing/stocks/abt-abbott-laboratories)),

Merk & Co. Inc. (MRK).

Consumer Staples

Without the fruits of this sector, the human species would essentially go extinct. Food manufacturers and distributors; nondurable household goods; personal care products and beverages – the necessities of

life that people keep needing and buying no matter how good or bad the economy is. You always need food, toilet paper, laundry detergent, shampoo, toothpaste, etc. The consumer staples sector is one of the most defensive, which means it can hold its own or even advance during a recession, but usually trails the market in expansions.

Major examples:

Coca-Cola Co. ([KO](https://money.usnews.com/investing/stocks/ko-coca-cola-co) → <https://money.usnews.com/investing/stocks/ko-coca-cola-co>), Colgate-Palmolive ([CL](https://money.usnews.com/investing/stocks/cl-colgate-palmolive-co) → <https://money.usnews.com/investing/stocks/cl-colgate-palmolive-co>), Procter & Gamble Co. ([PG](https://money.usnews.com/investing/stocks/pg-procter-gamble-co) → <https://money.usnews.com/investing/stocks/pg-procter-gamble-co>), Walmart ([WMT](https://money.usnews.com/investing/stocks/wmt-walmart-inc) → <https://money.usnews.com/investing/stocks/wmt-walmart-inc>)

Utilities

Utilities provide fundamentally necessary services like water, gas, and electricity to local communities and often wider regions. There are very high barriers to entry because of the capital-intensive and geographically limiting nature of their business, often making these companies natural monopolies. For this reason, they're highly regulated and their profitability is held in check by the government; the only water company for 1,000 miles couldn't decide to charge \$20 per gallon for water, after all.

Major examples:

NextEra Energy ([NEE](https://money.usnews.com/investing/stocks/nee-nextera-energy-inc) → <https://money.usnews.com/investing/stocks/nee-nextera-energy-inc>), Duke Energy ([DUK](https://money.usnews.com/investing/stocks/duk-duke-energy-corp) → <https://money.usnews.com/investing/stocks/duk-duke-energy-corp>), Exelon Corp. ([EXC](https://money.usnews.com/investing/stocks/exc-exelon-corp) → <https://money.usnews.com/investing/stocks/exc-exelon-corp>), Dominion Energy ([D](https://money.usnews.com/investing/stocks/d-dominion-energy-inc) → <https://money.usnews.com/investing/stocks/d-dominion-energy-inc>),

Sempra Energy (SRE), Public Service Enterprise Group Inc. (PEG), WEC Energy Group Inc. (WEC).

Source: [US News & World Report](https://money.usnews.com/investing/investing-101/slideshows/stock-market-sectors-101-the-11-sectors-of-the-market) → <https://money.usnews.com/investing/investing-101/slideshows/stock-market-sectors-101-the-11-sectors-of-the-market>

Take the Quiz Again

Attempt History

	Attempt	Time	Score
LATEST	Attempt 1	8 minutes	27 out of 30

❗ Correct answers are hidden.

Score for this attempt: **27** out of 30

Submitted Jan 3 at 12:23pm

This attempt took 8 minutes.

Question 1

3 / 3 pts

How many stock sectors are there?

11

Incorrect

Question 2

0 / 3 pts

Which company has the stock (ticker) symbol PSA?

Real Estate

Question 3

2 / 2 pts

Which of the following stocks belongs to the Consumer Staples stock sector?

☒ Walmart Inc.

☐ Pfizer Inc.

☐ 3M Co.

☐ Amazon.com

☐ Chevron Corp.

Question 4

2 / 2 pts

Which of the following stocks belongs to the Health Care stock sector?

☐ Equinix Inc.

☐ Apple Inc.

☐ Dow Inc.

☒ Merk & Co. Inc.

☐ Boeing Co.

Question 5

2 / 2 pts

Boeing Co. belongs to the Industrials stock sector.

Answer 1:

Industrials

Question 6

2 / 2 pts

Walt Disney Co. belongs to the Communication Services stock sector.

Answer 1:

Communication Services

Question 7**6 / 6 pts**

Match the stock with its stock sector.

DuPont De Nemours Inc.

Materials

**Exxon Mobil Corp.**

Energy

**Nike Inc.**

Consumer Discretionary

**Question 8****6 / 6 pts**

Match the stock with its stock sector.

**Public Service Enterprise
Group Inc.**

Utilities

**Coca-Cola Co.**

Consumer Staples

**AT&T Inc.**

Communication Service



Question 9**2 / 2 pts**

Companies within the Material sector tend to either be involved directly in the production of capital goods like aircraft, electrical equipment, industrial machinery and the like or the provision of transportation services and infrastructure.

☐ True☒ False**Question 10****2 / 2 pts**

Companies within the Consumer Discretionary sector market their products and services to consumers, not businesses, and what they sell is generally bought with discretionary income; they're not hawking day-to-day necessities.

☒ True☐ False**Quiz Score: 27** out of 30