**Warm Up**

| Insert a photo of something that represents a major business expense | How do I get my landlord to make repairs? - PhillyTenant.Org |
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| Insert a photo that represents one of the biggest companies that you can think of | Microsoft - Wikipedia |
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**Corporations**

| Before a corporation, a business usually starts out as a | 1)Proprietorship  Or  2)Partnership |
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| What is the major reason why a business would incorporate? | **Usually, proprietorship or partnership incorporate(become a corporation) in order to raise a large amount of money to pay for capital & expand the business** |
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| What does IPO stand for? | **Initial Public Offering** |
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| Type out the 7 steps we discussed for your business. Use different numbers | 1)Small Airline wants to incorporate  2)Hire Goldman Sachs as an investment bank  3) Files the necessary papers to the Security Exchange Commision(SEC)  4) Has an Initial Public Offering  5)100 million shares are sold to the public at $50 each  6)Goldman Sachs take $5 million for fees  7) The airline raised $4.95 billion for resources |
| --- | --- |
| List 5 expenses that you would use this money for in order to expand your business | Advertising,human resources, maintenance, repairs, and Fuel |

| What is a share of stock? | **Is a piece of ownership in a corporation(part ownership)**  **When the value of the corporation changes, so does the share of the stock** |
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| What does value mean? | **An amount that is considered fair enough where people will be willing and able to pay you in return for a good or service** |
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| Insert a photo that represents something that you own that you could sell to someone else | **Amazon.com: LCD TV, Flat Screen TV, BCL-32A/3216D Widescreen 43inch HD  1080P Flat Screen LCD Smart TV with HDR TV Edition Compact with  USB/HDMI/RF/AV(US) : Electronics** |
| --- | --- |
| How much do you think you could get for it? | **$200** |
| What could happen that would allow you to actually get more than you thought for it? | **When someone has more money and has his or her income raised. When there is less supply or production delays in a higher generation of that product. When the value of the product is good or high, people would spend more money. When your reputation is good more people would wanna buy it with more money** |
| What could happen that would allow you to actually get less than you thought for it? | **When someone has less money, when there are new products. When there is a good amount of supply for a newer generation. When the value of the good or surface is low or isn’t good. When your reputation is bad less people would wanna buy it with more money** |

| Value of a company is based on |  |
| --- | --- |
|  | 1)Potential for growth |
|  | 2)Reputation(past history) |
|  | 3)Internal and External events |

| What is something that could happen to a company that could make people **more** willing to pay for that company’s stock? | When there is a growth in the amount of products or when there is a pandemic, more people are willing to buy toilet tissue or any of those products. When there are wildfires, more people and firefighters are willing to buy water from water companies. When The company was famous for advancements or led to advances, more people will trust it and buy more stuff and are willing to buy from them. Sell a recent generation of a product |
| --- | --- |
| What is something that could happen to a company that could make people **less** willing to pay for that company’s stock? | When there is a decline in the growth /amount of stuff a person needs from that company, less people are willing to buy them. When the weather gets colder less people are willing to be colder drinks from mustache mikes company stock.The company was infamous for negative things or led to disasters less people will trust it and buy more stuff and willing to buy from them |

| 6 Internal Events That Could Affect Stock Value |  |
| --- | --- |
|  | 1)New Products |
|  | 2)Quarterly Financial Reports |
|  | 3)Changes In leadership |
|  | 4)Production Delays |
|  | 5)Advertising campaigns |
|  | 6)Paying out of dividends(profits distributed out to shareholders) |

| What is something that could happen in the world or the country that could make people more or less willing to pay for a company’s stock? | When there are production delays in the company. When they announce a new version of a product that is too expensive.More people willing to invest in medical companies during the pandemic, natural disasters can cause people to be more willing to pay more for temporary housing. When there is strong advertisements more people will learn about it and buy more of it.When the company is blamed for a scandal, less people are willing to buy their products |
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| 8 External Events That Could Affect Stock Value |  |
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|  | 1)Internal tragedies |
|  | 2)Price of oil changes |
|  | 3)War |
|  | 4)Inflation |
|  | 5)Political Instability |
|  | 6)Terrorism |
|  | 7)Strength of the economy(financial statistics) |
|  | 8)Unemployment rates |
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