Stock Market Key Terms and Definitions

Use the key terms to fill in the blanks. Use a different color to fill in the answers. Answers are found in learn.ja.org JA Take Stock in Your Future Part 1,2,3

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1. A publicly owned company is owned by stockholders or shareholders.
2. A stockholder is an individual who has purchased a share, or many shares, of stock in a publicly owned company.
3. A private company is owned by an individual or a small group of individuals.
4. A bear market describes the downward trend of the stock market over a number of months.
5. A stockbroker acts as a go-between for the buyer and seller of stocks.
6. A bull market describes the trend of the stock market rising over a number of months.
7. The strategy of owning different stocks in various industries that perform differently under a variety of economic conditions is known as diversification.
8. The percentage of profits that are paid to stockholders periodically are called dividends.
9. The probability of making a profit or losing money on an investment is known as risk.
10. **Stock** is a share of the ownership of a company.
11. Stocks are bought and sold on the stock market.
12. A portfolio is a grouping of financial assets such as stocks, bonds, and cash equivalents.

Write the definitions for these KEY TERMS

Table

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Ratio for valuing a company that measures its current share price relative to its per-share earning

A fund that pools money from multiple investors and invests it into a variety of stocks

Annual interest divided by the current price of the bond

Percentage of profits that are made out to stockholders

Information that shows price movements in a stock

Stock in a reputable and well established corporations

Total market value of a company’s shares

A group of shares that is used as an indicator how the market is doing

The uncertainty around an excepted outcome