



INVESTMENT STRATEGIES PROGRAM

MODULE 7

THE STOCK MARKET SIMULATION



JA
Canada

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JA Worldwide

MODULE 7: THE STOCK MARKET SIMULATION

STOCK MARKET SIMULATION RULES OF PLAY

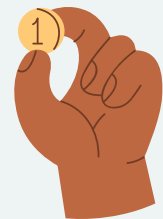
- Teams have **\$100,000** to buy stocks on the **TSX, NYSE** and **Nasdaq** stock exchanges.
- Teams can **borrow** an additional \$50,000, if needed.
- A **management fee of \$25** is charged for every trade.
- Once a team agrees to the trade on the confirmation screen, the transaction **cannot be reversed or revised**.
- There are restrictions around volume, day trading, purchase price and types of shares teams are permitted to trade. The simulation will have pop-up messages to help you.
- Check out <https://investja.org/rules> for all the rules of play.
- Teams **must disclose** any unfair advantage (i.e., a bug in the game) or they could be disqualified.

DID YOU KNOW?

I don't like to invest in **penny** stocks as it doesn't make **cents**!

Penny stocks are shares of very small companies that trade for less than \$5 per share. While they might seem like a cheap way to get into investing, they're often very risky. These stocks can be highly volatile, hard to sell, and easily manipulated, which means investors can lose money quickly.

So, while investing in penny stocks might sound like a bargain, it often doesn't make sense—or cents—for smart investors who want to build long-term wealth.



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ONLINE SCAVENGER HUNT ACTIVITY

What is the first stock you will buy? Find an interesting publicly traded company, search the ticker symbol and make the trade.

But first.... how quickly can you find the answers to these stock market questions?



1. What is a recently listed company on the Toronto Stock Exchange? *Search TMX to find this answer.*

2. What Canadian company uses the ticker symbol SHOP?

3. A familiar image of the NYSE is the ringing of the bell. What year did they start using a bell? *Search NYSE for this answer.*

4. What ticker symbol does Warner Bros. Discovery use on the NYSE?

5. What is a ticker symbol of an Exchanged Traded Fund (ETF) identified as a “gainer” today? *Search Nasdaq for this answer.*

6. What ticker symbol does NVIDIA corporation use on the Nasdaq?

7. What company does the ticker symbol T represent?

8. What is the ticker symbol for the Canadian company called Maple Leaf Sports and Entertainment (MLSE), the company who owns the Toronto Maple Leafs?



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HOW TO BUILD YOUR PORTFOLIO



1. Go to <https://investja.org> and login.
2. Read and accept the rules of play.
3. Search the ticker symbol of the stock you want to buy.
4. Select the Exchange that this stock trades on.
5. Enter the ticker symbol and how many shares you want to buy.
6. Click the PURCHASE button and it will ask you to verify your purchase.

The screenshot shows two parts of the investja.org website. On the left, a 'Purchase stocks' dialog box is open, showing the 'Exchange' set to 'Toronto Stock Exchange (TSX)', 'Ticker' as 'RY', and 'Quantity' as '100'. Below the dialog, a table of account holdings is visible. On the right, the 'Confirm share purchase' page is shown for the Royal Bank of Canada (RY) on the TSX. The current price is \$189.03, and the total cost for 100 shares is \$18,928.00. A 'Yes, attempt this purchase now.' button is highlighted.

Company	Royal Bank of Canada
Exchange	TSX
Ticker	RY
Current price	\$189.03
Total cost	100 x \$189.03 + \$25.00 = \$18,928.00

Total value	Today's price	All time return	
\$12,594.38	\$279.88	\$1,982.63 (16.74 %)	SELL
\$45,516.20	\$455.16	-\$1,386.30 (-3.05 %)	SELL
\$1,624.61	\$108.31	\$161.51 (9.94 %)	SELL
\$6,616.05	\$189.03	\$476.70 (7.21 %)	SELL
\$14,479.50	\$193.06	\$2,842.50	SELL

Image caption: Screen capture from the investja.org website.



TIPS TO REMEMBER

- There are many factors that can affect the stock market on any given day on any given hour! These could include economic indicators, global events such as natural disasters, trends and political events. Keep current on what is happening to manage risk and reward with your stocks.
- For this simulation you will only have a few weeks to manage a portfolio, so your strategies might be different than in real life trading.

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WRAP UP: IT'S TIME TO PLAY THE SIMULATION

Start to build your portfolio!

What is the first stock you will buy today? What factors helped you decide this?

If you could invest for years (instead of weeks), share one way that your trading strategy could be different.



GLOSSARY

Equity

Equity is an estimate of how much money you would have if you sold all the stocks in your portfolio right now and paid off your loan. $\text{Equity} = \text{Cash} - \text{Loan} + \text{Portfolio}$.

Investing

Investing means purchasing assets with the potential for high returns. Investing has a varying degree of risk, with some investments being riskier than others.

Portfolio

A portfolio is an estimate of how much money you would get if you sold all the stocks in your portfolio right now. It is based on the current stock prices and will change as the prices of your stocks change.

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Stocks

Stocks are shares of ownership in a company. When someone buys stock, they own a small part of that company. The value of stocks can go up or down based on how well the company performs or other market factors.

Stock Market

The stock market is a place where people buy and sell shares (small pieces) of companies. It's like a giant marketplace for investors.

TSX: TSX stands for the Toronto Stock Exchange. It is a stock exchange located in Toronto and is the primary market for senior equities in Canada.

NYSE: The New York Stock Exchange is a stock exchange located in New York City that is the largest equities-based exchange in the world.

Nasdaq: This is a global electronic marketplace for buying and selling securities and is also the name of the stock exchange that operates this marketplace.

Ticker Symbol

A ticker symbol is a short group of letters that represents a company's stock on the stock market. For example, SHOP is the ticker symbol for Shopify.

Trading

Trading is the buying and selling of stocks, bonds, or other investments. People trade to try to make a profit by selling something for more than they paid for it.

Volume

Volume refers to the total number of shares that are traded within a trading day. It indicates the level of trading activity and interest in a particular stock.