



The TD Bank Virtual Stock Market Game

Is a free online game designed to raise financial literacy among elementary, middle and high school students.

Program Guide

Introduction

Welcome to the TD Bank Virtual Stock Market Game

Basic financial planning 101 remind us to “save early and save often”. We instill these savings principles early with many a rainy day story. Grandparents usually kick things off with getting their grand kids that first \$100 bond. Mom and dad get the show on the road with that first pink piggy bank and life plans rooted in the hard work principle we are all so familiar with.

Yet despite all that our loved ones and educators instill in us, by the time we grow up to take our place in society. The vast majority of us fails at managing their money and has little in the way of understanding of the makings of a profit driven market economy.

Between the advertisements from the brokerage industry to opening an account and getting 50 free trades, to the buy-sell software programs that “only require 15 minutes a day” to analyze stocks, to the get-rich-quick schemes and scams that populate our email inboxes.

The average investors, especially the younger investors, are very susceptible to these kinds of aggressive marketing tactics. So it is increasingly critical that young investors be informed and educated about the potential risks and rewards of investing.

The TD Bank proposes an exciting, educational, and rewarding solution to this growing problem targeted to either middle or high school students, centered about a stock market simulation game.

This corporately funded initiative intends to raise the level of financial literacy of students by staging the most comprehensive interactive learning experience of its kind in the United States.

Your students will enjoy this opportunity to strengthen their Internet skills while learning how news events influence local, national and international markets.

Please use the following advisor guide to familiarize yourself with the game.

Good Luck!

Educational Programs Manager
TD Bank “America’s Most Convenient Bank”

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Registration

The easiest and most convenient way for you to register for the simulation is by going to virtualstockmarket.tdbank.com. There will be a registration form available online; you will need to fill it out with the appropriate information to submit. Upon submitting your registration, your account numbers and passwords will be automatically assigned along with a brief confirmation. You will need to print this confirmation out to keep in your records. All the details needed for you to register may also be found on this web site including contact information, trading dates, etc.

Contacts & Customer Support

Contacts for the game (web page, account, trading, etc.)

TD Bank Help Desk

Use the help desk form on the site

Hours: 9:00 am – 5:30 pm ET

Getting Started – Recommendations for Student Teams and Individuals

For educators, the ideal team size is between 3 and 5 students otherwise you can just register to play by yourself and see how you rank against others. Each student on a team should be assigned a field of expertise such as “treasurer, record-keeper, etc.” The \$100,000 in virtual funds each student team has access to can be invested on a group decision basis or by assigning a *pro rata* share of the funds to each student to invest at their discretion. One team member should be an accountant who writes down the trades and verifies the team’s manual calculations with the account summary listed on the web site. This becomes an excellent math assignment! Teachers may also consider naming a team captain, lead researcher, treasurer, record-keeper, and transaction verifier. The captain can ensure each member does his/her job and does the final check before entering trades. The researcher reports on news affecting the general economy and the team’s stocks as well as taking reports from the ‘experts.’ The treasurer acts as an accountant, filling out worksheets and keeping records. The record-keeper manually tracks daily gains and losses in the team’s stocks. The transaction verifier double checks current market values, ticker symbols, and prices before turning in trades to the captain. Be sure print out the Trading Rules by clicking on the button marked “Read Rules” and distribute a copy of these rules to each student. Consider giving the students a ‘pop quiz’ on these trading rules to make sure they have looked over them.

About the TD Bank Virtual Stock Market Game

The program is aimed at improving financial literacy among elementary, middle, and high school students. The game offers teachers in economics, social studies, technology, math, and other related fields an opportunity to bring “real world” applications into their class.

Each team is given \$100,000 to invest in US stock markets over a 30 day period.

Securities Traded

There are several different types of securities that can be traded -**Stocks:** The game trades all stocks listed on the NYSE, AMEX, and NASDAQ Exchanges and executes them with a real-time order execution that are priced above \$5.00 and have a volume of more than 100 shares. All stocks are filled at real-time bid/ask.

Trading Stocks

In order to make a trade, you must click on the “Trade Stock” tab. You must be first logged in and then enter your trade information – transaction type, number of shares, and the ticker symbol. Once all of this information is filled in you may then click on the “Send Your Trade Request” to submit your trade. Don’t stop here as your trade has not been placed quite yet. Once you send your request, you will be taken to a Stock Order Preview Page for you to preview the trade you are getting ready to place. This preview page will show you the number of shares you are getting ready to invest in and the price you will pay, ticker symbol, transaction type, and the estimated amount that this trade will cost you. If everything on the preview looks correct, you may click on the Place Your Trade button on the bottom and your trade will then be submitted and you will be taken to a Stock Confirmation Page. Also, if you choose not to place the trade, you may click on the Cancel Trade button at the bottom and the trade will be cancelled. If you have looked over your preview and submitted your trade, you will receive a Stock Trade Confirmation. On the Confirmation page you will receive a copy of your trade and the corresponding confirmation number that is assigned to that particular trade.

When trading stocks, you must trade in shares, not dollars or units. You may trade any number of shares that you wish as long as it is above 1. This means that you may trade 1 share or 337 shares but you are not able to trade less than 1 share. All stocks that you wish to trade long must be trading above \$5.00. If you invest in a stock and the price goes below \$5.00, you don’t have to sell the stock, you may still hold your position, and you just cannot purchase any more of the stock. The stock must also have a volume of at least 100 shares or it can not be traded. The amount of shares you can buy is limited to the actual volume for the day. All persons are limited to making 200 trades throughout the simulation. If you use all of your trades, then you are done for the remainder of the simulation. Additional trades can not be purchased. Each buy and sell counts as a trade so if you buy 100 shares of a stock and then sell 25 shares of a different stock, that counts as two trades. You are also limited by their position limit which is explained later in this guide. The TD Bank Virtual Stock Market Game has a position limit of \$25,000 or 25% of your initial \$100,000 in virtual cash. You are not able to trade stocks not listed on the AMEX, NASDAQ, or NYSE. INDEX stocks are also not allowed to be traded. You are more than welcome to trade preferred stocks however.

Market Holidays

The stock markets are closed on all official holiday days for the 2009-2010 trading year. When the stock markets are closed, teams may still trade, however, their trades will not be posted to their accounts until the next business day and you will receive the opening price for that next day for all stocks and the closing price for that next day for commodities.

Trading Restrictions

There are trading restrictions to help encourage the best way of trading.

Position Limits: Position limits are put in place to limit the amount each team can invest in one security. With this restriction in place it prevents participants from losing all their money in one security and it also encourages diversification. Each simulation has a specific position limit (i.e. \$25,000 or 25%).

Transaction Limits: Transactions limits are put in place to prevent participants from focusing on short term investments. We encourage long term investments and the researching of securities before trades are placed.

The TD Bank Virtual Stock Market Game has a limit of 200 transactions with a \$5.00 stock limit: The \$5.00 limit is put in place to prevent participants from trading penny stocks.

Transaction Fill Price: Securities are traded at real time pricing depending on the securities you are trading.

Stock Market Basics

The stock markets are open Monday through Friday from 9:30 am to 4:00 pm ET. You will be trading on 15-20 minute delayed pricing for all stocks and preferred stocks. If you make a trade after the market has closed, then your trade will be placed the following business day (that markets are open) at the opening price. If you make a trade before the market opens, then you will receive the opening price for that stock.

The website also includes a link to the Most Used Ticker Symbols by category. This selection lists the most frequently traded stocks and their ticker symbols and is a good reference for you and your students. You may discover some companies you have not yet considered. The page also has a ticker symbol lookup screen for those ticker symbols that you can't find. It is important to be familiar with ticker symbols, which are different from the abbreviations that newspapers use.

There will be a \$25.00 flat fee commission on all stock trades, regardless of the number of shares or the price traded. Since this simulation involves "online trading" this fee approximates a real online trading commission.

Only 'Market Orders,' which are immediately executed at the current trading price, are accepted. 'Limit Orders,' which set a certain price and time limit for execution, are not accepted.

To obtain daily, detailed information about your account, just login to your account on the web page and click on "Account Detail" or "Account Summary." Team and individual activity and rankings are updated each business day. You can view your account detail and account summary by clicking on the appropriate tabs. Click on the Ranking tab to see how your account is doing against other teams. A statewide top 50 ranking is also available to see how the top 50 teams in the state are doing. At the end of the simulation period, you do not need to sell all of your stock holdings. Your final team standings will be based on the last day's closing prices of those stocks in your portfolio.

Researching a Company or Market

The TD Bank Virtual Stock Market Game home page contains two excellent resources that provide information on a particular company or industry: the "Quotes" and "Research" pages. These buttons are located on the top part of the homepage next to the "Ranking" icon.

The Quotes page is an excellent starting point for researching a company. If you are unsure of your stock's ticker symbol, click on the "symbol lookup" icon located next to the "get quote" button. Type in the company's name and click on the "search" button. A one to five character ticker symbol will be displayed. Record this symbol, as each team must input the ticker symbol to make a trade. Type the stock's ticker symbol in the "symbol" dialog box and click on the "get quote" button. Information such as the last price, today's high and today's low prices as well as a 52 week high and low will be displayed. Additionally, important financial information such as the Earning per Share (EPS) and the Price to Earnings Ratio (P/E) are listed.

The most thorough resource in The TD Bank Virtual Stock Market Game web page is the Research page. Clicking on the "Research" tab on the top navigation bar takes students to a listing of fifty top research and investment sites chosen by Stock-Trak's Investment Specialists. These sites are categorized into the following nine sections: Fundamental Research, Technical Research, Market Watch, Other Popular Investment Sites, Industry-Leading Stocks, Teacher Recommended Sites, Quote Tools, Finance 101, and Helpful Newsletters. Each stock considered for investment should be evaluated by the students. The Research segment of the web page is an excellent resource for investigation. Some companies' annual reports are available to be mailed to you by selecting "Free Annual Report" from the "Fundamental Research" heading.

Major Market Indices

Professional money managers are evaluated on how their stock selections performed compared to certain stock market averages or indices. The three most popular "benchmark" indices are the Standard & Poors 500 Index (S&P 500), Dow Jones Industrial Average (DJIA), and the NASDAQ Composite Index.

The S&P 500 is the standard for most account managers and contains 500 large cap stocks. The S&P 500 accounts for 80% of the value of the U.S. equity market. Professional money managers use this index when they refer to the "stock market."

The DJIA contains 30 large companies (large market capitalization or "large cap") stocks that represent about 30% of the value of the U.S. equity market. The oldest index, the DJIA, started in 1896 when twelve stocks were selected by Charles Dow to track the emerging industrial sector of the American economy. Today, the editor and owner of the *Wall Street Journal* determine the stocks in the DJIA.

The NASDAQ Composite Index was created in 1971.

It is a computerized network of stockbrokers attempting to buy or sell stocks. It is commonly referred to as the "technology laden" index because 70% of its market value is technology stocks versus 28% for the S&P 500 index. There are approximately 3800 stocks in this index.

Trading Rules

(Trading rules are subject to change. Please see the web page for updates)

1. Initial Cash Balance:

The initial cash balance is \$100,000.

2. How to Trade:

Before making any trades, you must have your user name, password, and the ticker symbols of the securities you wish to trade.

Visit the home page to submit trades, review your team's activity, research stocks, obtain quotes, find ticker symbols, and review your team's ranking. This is the best way to trade because it is fast, accurate, and convenient.

Trading Stocks: There are four basic ways to trade stocks and commodities: buy (BO), sell (SC), short sell (SS), and short cover (CO). When buying a security, you are taking a "long position" with the hope that the price per share/contract will increase. When you sell a security, you close that long position. Selling short is selling a security that you don't own (you actually borrow the security from the broker) with the hope that you can later buy the security back at a lower price. When you buy the security to pay back what you borrowed, it is called "covering" your short position. To buy or short sell a security, specify how many shares you want, rather than how much money you wish to spend. You may not be long and short in the same security at the same time.

3. Trading Times and Prices Received:

Stocks: Trades made via the web page will be placed at real-time bid/ask order execution while the market is open (generally 9:30 am – 4:00 pm ET) for stocks and end of day prices for commodities. Trades placed after the market has closed will receive the next day's open price. Trades made after market close will receive the next day's closing price.

4. Splits and Dividends:

All stock splits and all dividend payments over \$0.10 will be credited to your portfolio.

Splits that have been credited to your portfolio have the appearance of a buy or short sell, but the price per share is \$0.00.

Dividends will appear in your portfolio with a "-DIV" attached to the ticker symbol to alert you to a dividend payment.

5. Securities that can be traded:

Stocks: You may buy, sell, sell short, and cover a short for almost all NYSE and NASDAQ-AMEX stocks (common and preferred) that are trading at \$5.00 or more. IPOs are usually available the afternoon that the new stock starts trading on the exchanges. Stock trades may be in any whole number of shares greater than 1.

6. Volume and Purchase Restrictions:

- ¶ Throughout the simulation, teams may invest no more than \$25,000 in any one stock.
- ¶ Teams may not buy or short sell stocks trading for under \$3 per share (no penny stocks).
- ¶ The maximum number of shares a team may trade is limited to the volume of the stock that day.
- ¶ You may not hold a short and a long position in the same stock at the same time.
- ¶ Day trading is permitted.

7. Ticker Symbols:

You need to know the ticker symbol for the security before you can trade it. Please note that most local newspapers show only the abbreviation of the company name, not the ticker symbol. Most large newspapers and their web pages are a really good source to help you find the ticker symbols you need. You can also find links on our research page that will help you find a certain ticker symbol.

8. Commission:

A broker's commission is applied to most transactions. The commission for stock trades is a flat fee of \$25 on each transaction regardless of the number of shares. If you sell one stock and buy another you will be charged two commission fees.

9. Margin Requirements:

The margin requirement for the simulation is 50%. Initially, this means that since you are starting with \$100,000, you may borrow another \$100,000, making your total buying power \$200,000. You may buy and short sell stocks on margin.

10. Interest Earned:

Interest will be earned on all available cash balances and credited at the close of each day. During the simulation, cash balances will earn 3% interest, compounded daily.

11. Interest Charged:

Interest will be charged on all loan balances and will be debited at the close of each day. During the simulation, loan balances will charge 8% interest compounded daily.

12. Number of Transactions:

Each student team or individual account is limited to 200 transactions during the trading period. Each buy, sell, short sell or short cover counts as a transaction. For example, if you buy a stock and sell another stock you will be charged with 2 transactions.

13. End of the Simulation:

You do not need to convert all of your investments to cash on the last day of the simulation. Your portfolio will be valued at the closing prices for that day.

Stock Market Glossary

American Stock Exchange-AMEX

An open auction market similar to the NYSE where buyers and sellers compete in a centralized marketplace. The AMEX typically lists small to medium cap stocks of younger or smaller companies. Until 1921 it was known as the New York Cumulative Exchange.

Ask

The price at which someone who owns a security offers to sell it; also known as the asked price. (See also "Best Ask".)

Assets

Any possessions that has value in an exchange.

Average Daily Share Volume

The number of shares traded per day, averaged over a period of time, usually one year.

Average Maturity

The average time to maturity of securities held by a mutual fund. Changes in interest rates have greater impact on funds with longer average life.

Bear Market

A market where the dominating trend is one of falling prices.

Best Ask

The price at which someone who owns a security offers to sell it; also known as the asked price. Please note that the New York Stock Exchange and the American Stock Exchange do not provide Ask information on a delayed basis. (See also "Ask".)

Best Bid

The price a prospective buyer is prepared to pay at a particular time for trading a unit of a given security. Please note that the New York Stock Exchange and the American Stock Exchange do not provide Bid information on a delayed basis. (See also "Bid".)

Bid

The price a prospective buyer is prepared to pay at a particular time for trading a unit of a given security. (See also "Best Bid".)

Bond

A long-term promissory note in which the issuer agrees to pay the owner the amount of the face value on a future date and to pay interest at a specified rate at regular intervals.

Bull Market

A market where the dominating trend is one of rising prices.

Buying Power

The amount of additional securities that a customer may purchase using the existing equity in his account.

Change

The difference between the last settlement price and the last reported ask, bid, or trade.

Common Stock

A securities holding that affords the possessor to have ownership in the company which provides benefits such as voting rights and dividend sharing. In the event of liquidation, the rights of common stock holders come after all other holders, such as bond, debt and preferred stock.

Date of Record

The date on which a shareholder must officially own shares in order to be entitled to a dividend.

Day Trading

The practice of buying and selling a security on the same day.

Delayed Opening

An intentional delay in the start of trading in a stock until a large imbalance in buy and sell orders is eliminated.

Distribution Date

Date on which the payout of realized capital gains on securities in the fund portfolio occurred.

Diversification

The acquisition of a group of assets in which returns on the assets are not directly related over time. Proper investment diversification is intended to reduce the risk inherent in particular securities. An investor seeking diversification for a securities portfolio would purchase securities of firms that are not similarly affected by the same variables. For example, an investor would not want to combine large investment positions in airlines, trucking and automobile manufacturing because each industry is significantly affected by oil prices and interest rates.

Dividend

Distribution of earnings to shareholders prorated by the class of security and paid in the form of money, stock, scrip, or, rarely, company products or property. The amount is decided by the Board of Directors and is usually paid quarterly. Mutual fund dividends are paid out of income, usually on a quarterly basis from the fund's investments.

Dow Jones Industrial Average - DJIA

The *Dow Jones Industrial Average Index* - (DJIA) is a price-weighted average of 30 actively traded blue chip stocks, primarily industrials but including American Express Co. and American Telephone and Telegraph Co. Prepared and published by Dow Jones & co., it is the oldest and most widely quoted of all the market indicators. The components, which change from time to time, represent between 15% and 20% of the market value of NYSE stocks. The DJIA is calculated by adding the closing prices of the component stocks and using a divisor that is adjusted for splits and stock dividends equal to 10% or more of the market value of an issue as well as substitutions and mergers. The average is quoted in points, not in dollars.

Earnings Per Share (EPS)

EPS represents the portion of a company's profit allocated to each outstanding share of common stock. Net income (reported or estimated) for a period of time is divided by the total number of shares outstanding (TSO) during that period; See growth rate measures for EPS.

Ex-dividend

A security which will trade without the inclusion of a pending dividend. Therefore, the seller will be receiving the dividend, not the buyer. In the newspaper, these securities are usually designated with an X beside their names.

Ex-dividend Date

The date at which the Ex-Dividend period begins. Usually two days before the record date.

Index

A select sampling of stocks used to reflect the basic trends of the market. Indexes are derived from a broader number of stocks than Averages.

Index Fund

A mutual fund that tries to mirror the performance of a specific index.

Initial Public offering (IPO)

The first issue and sale of stock by a company to the public.

Interest Charged

Interest will be charged on all loan balances and will be debited at the close of each day. During the simulation, loan balances will charge 8% interest. ((available cash * .08)/365 = Interest Charged)

Interest Earned

Interest will be earned on all available cash balances and credited at the close of each day. During the simulation, cash balances will earn 5% interest, compounded daily. ((available cash * .05)/365 = Interest Earned)

Limit Order

A Limit Order is an order to buy or sell a stock at a customer specified price.

Listed Stock

A stock that is traded on a major exchange.

Load Fund

Mutual Fund that is sold for a sales charge by a brokerage firm or other sales representative. Such funds may be stock, bond or commodity funds, with conservative or aggressive objectives.

Loan Balance

The amount of money that has been borrowed. Amount borrowed should not exceed the portfolio value.

Long Position

A long position is when you buy a stock anticipating the price to rise

Margin

The amount of money that a customer must deposit with a broker to secure a loan from that broker. In the case of futures, the amount of money that must be deposited to protect the buyer and seller from default.

Margin account

A brokerage account that permits an investor to purchase securities on credit and to borrow on securities already in the account. Buying on credit and borrowing are subject to standards established by the Federal Reserve and by the firm carrying the account. Interest is charged on any borrowed funds only for the period of time the loan is outstanding.

Margin Call

If the listed prices of shares or units fall below a level that would cover a lender's loan to you, then the lender will ask you to contribute the difference.

Margin Requirement

The margin requirement for the simulation is 50%. Initially, this means that since you are starting with \$100,000, you may borrow another \$100,000, making your total buying power \$200,000. You may buy and short sell stocks on margin.

Market Close Date

Date on which the closing Net Asset Value (NAV) was last calculated.

Market Order

A Market Order is an order to buy or sell a stock at the market's current best displayed price.

Market Value

The market price; the price at which buyers and sellers trade similar items in an open marketplace. The current market price of a security as indicated by the latest trade recorded.

Market Value of Long Positions

Sum of all shares held long multiplied by the current market price for each stock held.

Market Value of Short Positions

Sum of all shares held short multiplied by the current market price for each stock held.

Maturity Date

The date on which the principal amount of a bond is to be paid in full.

Money Market Fund

Open-ended mutual fund that invests in commercial paper, banker's acceptances, repurchase agreements, government securities, certificates of deposit, and other highly liquid and safe securities, and pays money market rates of interest. The fund's net asset value remains a constant \$1 a share, only the interest rate goes up or down.

Mutual Fund

Fund operated by an investment company that raises money from shareholders and invests it in stocks, bonds, options, commodities or money market securities.

NASDAQ Composite Index

The NASDAQ Composite Index measures all NASDAQ domestic and non-U.S. based common stocks listed on The NASDAQ Stock Market. The Index is market-value weighted. This means that each company's security affects the Index in proportion to its market value. The market value, the last sale price multiplied by total shares outstanding, is calculated throughout the trading day, and is related to the total value of the Index.

National Association of Securities Dealers

A self regulated securities industry organization responsible for the operation and regulation of the NASDAQ stock market and over the counter markets.

National Association of Securities Dealers Automated Quotations

A computerized system by which NASD members can communicate bids and offers on over the counter stocks and some listed stocks.

Net Asset Value (NAV)

The market value of a fund share, synonymous with a bid price. In the case of no-load funds, the NAV, market price, and offering price are all the same figure, which the public pays to buy shares; load fund market or offer prices are quoted after adding the sales charge to the net asset value. NAV is calculated by most funds after the close of the exchanges each day by taking the closing market value of all securities owned plus all other assets such as cash, subtracting all liabilities, then dividing the result (total net assets) by the total number of shares outstanding. The number of shares outstanding can vary each day depending on the number of purchases and redemptions.

Net Change

The difference between today's last trade and the previous day's last trade. The difference between today's closing Net Asset Value (NAV) and the previous day's closing Net Asset Value (NAV).

Net Charge

The last column in a stock or bond table listing the difference in price between the close on that trading day and the previous day.

Net Income

Income after all expenses and taxes have been deducted, and used in calculating a variety of profitability and stock performance measures.

New York Stock Exchange

The largest and oldest securities exchange in the United States.

No Load

A purchase with no commissions charged.

No Load Fund

Mutual Fund offered by an open end investment company that imposes no sales charge (load) on its shareholders. Investors buy shares in no-load funds directly from the fund companies, rather than through a broker as is done in load funds. Many no-load fund families allow switching of

assets between stock, bond, and money market funds. The listing of the price of a no-load fund in the newspaper is accompanied by the designation NL. The net asset value, market price and offer prices of this type of fund are exactly the same, since there is no sales charge.

NYSE Composite Index - NYSE

The *NYSE Composite Index* - (NYSE) is a market value-weighted index which relates all NYSE stocks to an aggregate market value as of Dec. 31, 1965, adjusted for capitalization changes. The base value of the index is \$50 and point changes are expressed in dollars and cents.

Offer Price

The price at which the shares were originally offered to the public.

Open Order

An order to buy or sell a security that remains in effect until it is either canceled by the customer or executed.

Open Position

See Long Position

Opening Price

The price at which an IPO starts trading on the open market.

Payment Date

The date on which a dividend or split will be paid to stockholders by the issuers' paying agents. The payable date is the date on which one must own the shares (at the close of the session) in order to receive the split.

Portfolio

All of the different investments owned by the same individual or organization.

Portfolio Value

The total ending cash minus loans, plus the market value of long positions, minus the value of short positions, plus interest earned, minus interest charged.

Preferred Stock

A stock holding which provides a specific dividend that is paid before any dividends are paid to common stock holders. In the event of liquidation, their rights come before common stock holders, but after other holders, such as bond and debt.

Previous Day's Close

The previous trading day's last reported trade.

Price/Earnings Ratio

A ration derived by dividing the market price of a company by earnings per share. This is thought to gage the value of the stock relative to current market conditions.

Securities

For financial markets these are the many types of financial instruments (that is documents) which are traded in financial markets (except futures contracts). For example, bonds and shares. A share is simply a part ownership of a company. If, for example, a company has issued a million shares, and you own ten thousand shares in it, then you own one percent of the company. As a part owner of a company, you are investing in the management of the company. You should invest in companies you feel confident are well run.

Short against the Box

A short sell of a security in which the seller still owns a long position on the same security. Thus, the overall position on the security is not closed out. This is done to defer tax liability.

Short Interest

The total number of shares of a security that have been sold short by customers and securities firms that have not been repurchased to settle short positions in the market.

Short Position

A short position or short selling, means to sell a stock which you do not actually have ownership of so you may profit from its potential decline in price. The shares of the stock are borrowed by your broker and then sold in the open market. The resulting funds are deposited in your account. The hope is that you can buy them back later at a lower price in order to return them to their rightful owner. When successful, this will allow you to pocket the difference in price as a profit.

Short Selling

Short selling is the selling of a security that the seller does not own, or any sale that is completed by the delivery of a security borrowed by the seller. Short selling is a legitimate trading strategy. Short sellers assume the risk that they will be able to buy the stock at a more favorable price than the price at which they sold short.

Split

The division of the outstanding number of shares into a higher number of shares. The market price per share drops proportionately. This is generally done to make a stock with a very high price more accessible to small investors. Current owners of the stock maintain the same equity by receiving the proportionate number of additional shares. .

Standard and Poor's 500 - \$SPX

The *S&P 500 index* - (\$SPX), more formally known as the S&P 500 Composite Stock Price Index, is a european-style, capitalization-weighted index (shares outstanding multiplied by stock price) of 500 stocks that are traded on the New York Stock Exchange, American Stock Exchange and NASDAQ National Market. The advantage of "cap-weighting" is that each company's influence on index performance is directly proportional to its relative market value.

Stock Dividend

Payment of a corporate dividend in the form of stock rather than cash. The stock dividend may be additional shares in the company, or it may be shares in a subsidiary being spun off to shareholders. Stock dividends are often used to conserve cash needed to operate the business. Unlike a cash dividend, stock dividends are not taxed until sold.

Stock Index

A securities price indicator such as the Nasdaq-100, Standard & Poor's or Dow Jones series created to measure the relative value of the market.

Ticker Symbol

A unique four- or five-letter symbol assigned to a security. If a fifth letter appears, it identifies the issue as other than a single issue of common stock or capital stock.

Trading Halt

The temporary suspension of trading in a security, usually for 30 minutes, while material news from the issuer is being disseminated over the news wires. A trading halt gives all investors equal opportunity to evaluate news and make buy, sell, or hold decisions on that basis.

Trading Index

A calculation which takes the number of advancing stock and divides it by the number of declining stocks.

Volatility

The degree of price fluctuation for a given asset, rate, or index; usually expressed as a variance or standard deviation.

Volume

Volume is the sum total of shares that have traded in the security for which you have requested a quote for either the current or most recent trading day on its primary trading marketplace.