

THE HISTORY CHANNEL CLASSROOM STUDY GUIDES

Modern Marvels

The Stock Exchange

Everyday the events that take place in the Stock Exchange influence lives the world over. Economic fluctuations, boom and bust economies, rag-to-riches are all part of the volatile world of the Stock Exchange. The Exchange, perched majestically on New York's famous Wall Street, is the indicator for the economic health of the country and the rest of the world. A modern day Mecca for those who strive to make their fortunes, the Stock Exchange can be a fickle master; one day creating untold wealth, and wiping it away the next.

The Stock Exchange would be useful for classes on American History, American Culture, Economics, and Science and Technology. It is appropriate for middle school and high school.

Students will develop a clear understanding of the Stock Market. They will be able to discuss what a stock is and the role the market plays in determining the state of the economy.

- ambition
- autocratic
- chaos
- collateral
- diversify
- embargo
- exploits
- exuberant
- fictitious
- fluctuate
- increments
- marauders
- monopoly
- pillory
- rambunctious
- rogues
- shenanigans
- speculation
- tenet
- unscrupulous

Discussion Questions

1. Discuss how Wall Street is "America at its best and at its worst."
2. What are stocks? What are shares of stock?
3. How do stocks enable corporations to thrive and grow?
4. What are the origins of stock investment?
5. Wall Street is known throughout the world. How did this famous street get its name?
6. Wall Street and the Stock Exchange, like every other aspect of life, has been profoundly altered by technology. Discuss the role of technology and the changes wrought by that technology in the history of Wall Street and the Stock Exchange.
7. How did the advent of the railroads in the 19th century change the stock market?

8. How did financier Jay Gould manipulate the stock market in the 19th century? Would he be able to do this if he was alive today?
9. What are the origins of the terms “bull” and “bear?” Which of these terms refers to the market today?
10. Who are Dow and Jones? What is their relationship to the Stock Exchange?
11. What is the Dow Jones Industrial Average? How is it an indicator of the status of the market?
12. What is the difference between the Dow and NASDAQ?
13. How and why did the stock market crash in 1929? What, if any steps, have been taken to prevent a crash, similar to the 1929 crash, from happening?
14. Discuss the effects of a stock market crash. Is it possible that it could happen again? Discuss why or why not.

Extended Activities

1. Choose a stock of your own and follow its performance for a month. Chart its performance to illustrate its gains and losses. Determine the average return on your initial investment. Using that figure, calculate the return on your initial investment if you were to hold onto the stock for the next 25 years.
2. Read the Wall Street Journal to find out what the “hot” stocks of today are. How do these stocks differ from other periods of the market’s history? What do you think the stocks of the future will be? Track the performance of some of the “hot” stocks listed in The Journal. What are some of the factors that influence the success or failure of a stock?
3. It has been said that we are living in a “global economy.” What is meant by this term? How does the economy of another country affect the United States? How does the economic state of the U.S. affect other countries around the world?