



InvestED

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WHY DO I NEED TO KNOW THIS ?!

To make money of course !



OUR MOTIVE?

We want to educate YOU 🙌 on the BASICS of what stocks are and other factors that attribute to it, along with financial literacy for down the road (needed knowledge!!).




TOPICS



What are Stocks?



Spending/Saving



Basic
Vocabulary



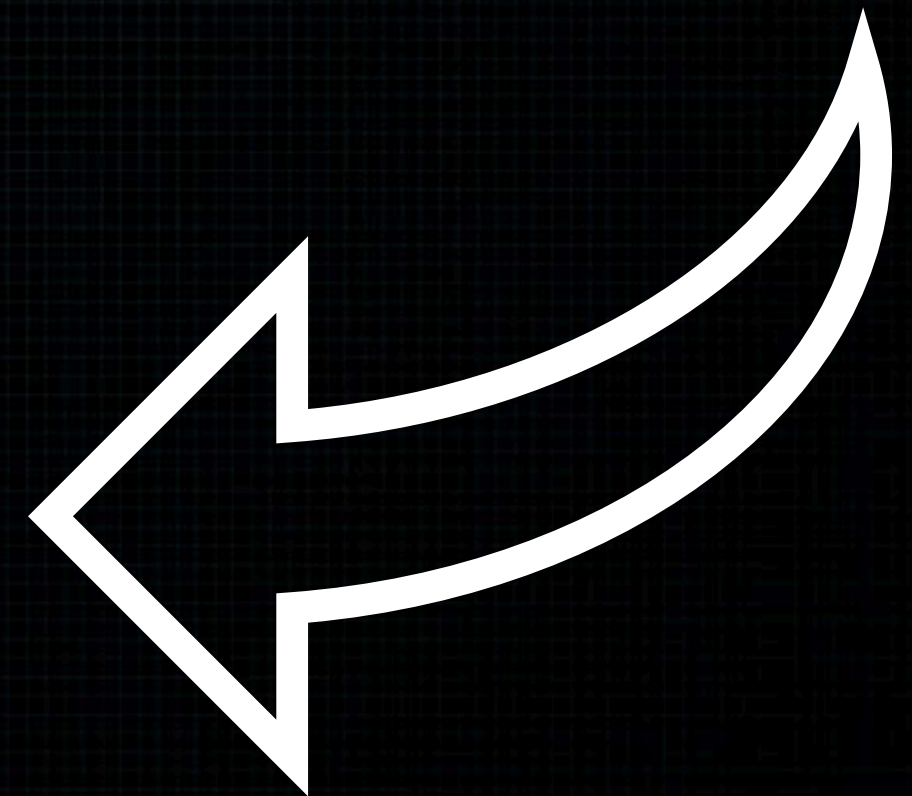
Credit/Debit



Economic Factors



Join our Group !!



WHAT ARE STOCKS?



DEFINITION: A SHARE IN OWNERSHIP OF A COMPANY, INCLUDING A CLAIM ON THE COMPANY'S EARNINGS AND ASSETS.

WHY DO COMPANIES SELL STOCKS?

FOR COMPANIES TO RAISE FUNDS / ATTRACT INVESTORS



VOCAB

SHARE

A UNIT OF OWNERSHIP IN A COMPANY OR FINANCIAL ASSET.

EQUITY

ANOTHER TERM FOR STOCK, REPRESENTING OWNERSHIP INTEREST IN A COMPANY.

SHAREHOLDER

AN INDIVIDUAL OR ENTITY THAT OWNS SHARES IN A COMPANY.

STOCK EXCHANGE

A MARKETPLACE WHERE STOCKS AND BONDS ARE BOUGHT AND SOLD.



VOCAB

DIVIDENDS

PAYMENTS THAT SHAREHOLDERS OF CORPORATIONS RECEIVE FOR EACH SHARE OF STOCK THAT THEY HOLD.

CAPITAL GAINS

PROFIT MADE FROM SELLING A STOCK AT A HIGHER PRICE THAN IT WAS PURCHASED.

MARKET CAPITALIZATION

TOTAL VALUE OF A COMPANY'S OUTSTANDING SHARES.

TICKER SYMBOL

UNIQUE SERIES OF LETTERS ASSIGNED TO A STOCK FOR TRADING PURPOSES.



VOCAB

BULL MARKET

UP A PERIOD OF TIME WHEN PRICES IN A STOCK MARKET ARE RISING OR EXPECTED TO RISE.

BEAR MARKET

A PERIOD OF TIME WHEN PRICES IN A STOCK MARKET ARE DECLINING (USUALLY MORE THAN 20%).

NYSE (NEW YORK STOCK EXCHANGE)

THE LARGEST STOCK EXCHANGE IN THE WORLD BASED ON MARKET CAPITALIZATION.

NASDAQ

A GLOBAL ELECTRONIC MARKET PLACE FOR BUYING AND SELLING SECURITIES.

ECONOMIC FACTORS THAT CAUSE INCREASE/DECREASE IN THE MARKET



INTEREST RATES: HIGHER INTEREST RATES CAN REDUCE BORROWING AND SPENDING,

INFLATION/DEFLATION: HIGH INFLATION CAN WEAKEN CORPORATE PROFITS, AND DEFLATION INDICATES WEAK DEMAND OR ECONOMIC TROUBLE.

ECONOMIC GROWTH: INDICATORS OF ECONOMIC GROWTH, SUCH AS GROSS DOMESTIC PRODUCT (GDP) GROWTH CAN AFFECT INVESTOR PERCEPTION.

GLOBAL EVENTS: EVENTS SUCH AS TRADE WARS, GEOPOLITICAL TENSIONS, AND ECONOMIC CRISES CAN IMPACT THE STOCK MARKET. OTHER NON-ECONOMIC RELATED EVENTS SUCH AS NATURAL DISASTERS AND PANDEMICS CAN ALSO HURT THE MARKET. FOR EXAMPLE, BOEING'S (BOEING CO.) STOCK PRICE PLUMMETED IN MARCH 2020 DURING COVID. THIS RESULTED IN A SEVERE LOSS OF INVESTOR CONFIDENCE IN THE COMPANY

ECONOMIC FACTORS THAT CAUSE INCREASE/DECREASE IN THE MARKET



GOVERNMENT POLICIES AND REGULATIONS: CHANGES IN GOVERNMENT POLICIES CAN AFFECT VARIOUS SECTORS OF THE ECONOMY DIFFERENTLY

STRONG CORPORATE EARNINGS: WHEN COMPANIES REPORT STRONG EARNINGS, IT REFLECTS THEIR PROFITABILITY AND GROWTH POTENTIAL.

FISCAL POLICY: GOVERNMENT SPENDING AND TAXATION POLICIES CAN INFLUENCE ECONOMIC ACTIVITY AND INVESTOR SENTIMENT.

ECONOMIC RECESSION: DECLINING GDP AND ECONOMIC CONTRACTION LEAD TO LOWER CORPORATE PROFITS AND REDUCED INVESTOR CONFIDENCE, CAUSING STOCK PRICES TO FALL.



SPENDING AND SAVING

WHY DO WE NEED TO LEARN ABOUT SPENDING
AND SAVING MONEY?



UNDERSTANDING SPENDING AND
SAVING IS CRUCIAL FOR MANY
REASONS INCLUDING IMPACTING
PERSONAL FINANCIAL HEALTH,
ECONOMIC STABILITY, AND OVERALL
WELL-BEING.



SPENDING AND SAVING

KEY TERMS:

BUDGET: A SPENDING PLAN BASED ON INCOME AND EXPENSES

EXPENSES: MONEY SPENT TO ACQUIRE SOMETHING

NEEDS VS. WANTS: A NEED IS SOMETHING NEEDED TO SURVIVE WHILE A WANT IS SOMETHING THAT PEOPLE DESIRE TO HAVE

COST OF LIVING: THE LEVEL OF PRICES RELATING TO A RANGE OF EVERYDAY ITEMS.

CASH FLOW: THE NET BALANCE OF CASH MOVING INTO AND OUT OF A BUSINESS AT A SPECIFIC POINT IN TIME

SPENDING AND SAVING

KEY TERMS:

SAVINGS ACCOUNT: A DEPOSIT ACCOUNT HELD AT A BANK OR FINANCIAL INSTITUTION, ALLOWING CUSTOMERS TO SAVE MONEY WHILE EARNING INTEREST.

INTEREST: THE PRICE PAID FOR BORROWING MONEY.

INCOME: THE MONEY YOU RECEIVE IN EXCHANGE FOR YOUR LABOR OR PRODUCTS.

DEBT: THE AMOUNT OWED BY THE BORROWER TO THE LENDER.

CREDIT SCORE: A PREDICTION OF YOUR CREDIT BEHAVIOR, SUCH AS HOW LIKELY YOU ARE TO PAY A LOAN BACK ON TIME, BASED ON INFORMATION FROM YOUR CREDIT REPORTS.

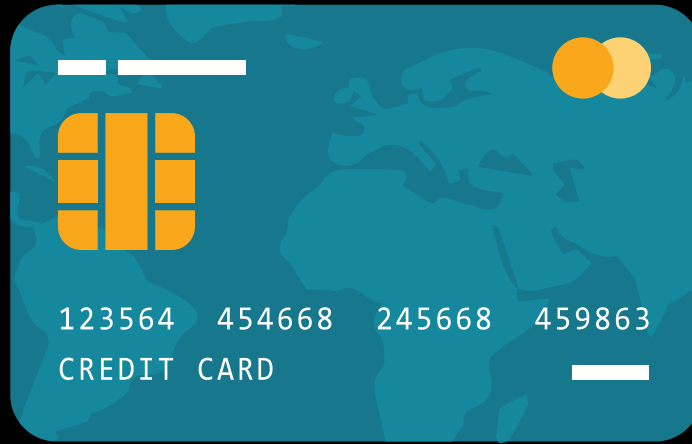


CREDIT + DEBIT



CREDIT: CREDIT REFERS TO AN AGREEMENT WHERE A BORROWER RECEIVES SOMETHING OF VALUE NOW AND AGREES TO REPAY THE LENDER AT A LATER DATE, TYPICALLY WITH INTEREST.

DEBIT: DEBIT REFERS TO AN ENTRY IN THE ACCOUNTING RECORDS THAT SIGNIFIES AN INCREASE IN ASSETS OR EXPENSES, OR A DECREASE IN LIABILITIES, EQUITY, OR REVENUE.



CREDIT + DEBIT



TYPES OF CREDIT:

CONSUMER CREDIT: LOANS AND CREDIT CARDS USED BY INDIVIDUALS TO FINANCE PERSONAL EXPENSES

COMMERCIAL CREDIT: LOANS EXTENDED TO BUSINESSES TO FINANCE THEIR INVENTORY

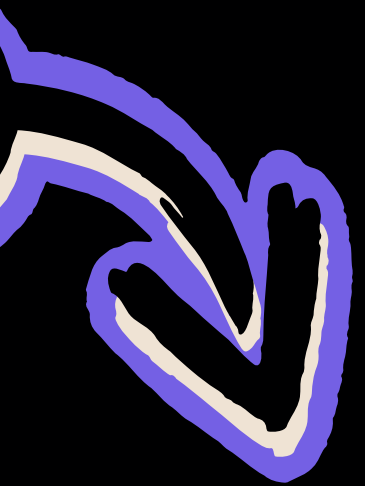
GOVERNMENT CREDIT: BORROWING BY GOVERNMENTS THROUGH ISSUED BONDS .

KEY POINTS ABOUT DEBIT:

ASSETS AND EXPENSES: DEBITS INCREASE THE BALANCE OF ASSET ACCOUNTS (CASH, INVENTORY, ETC.) AND EXPENSE ACCOUNTS (RENT, SALARIES, UTILITIES, ETC.)

LIABILITIES AND EQUITY: DEBITS DECREASE THE BALANCE OF LIABILITY ACCOUNTS AND EQUITY ACCOUNTS

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