

Investment Words

Learn the words. Check the boxes. Circle true or false.

Investment words

 **Stock**

A share of stock is a small part of owning a company. Its price goes up and down.

 **Bond**

A loan to a company or a government. It pays interest, and the loan is paid back at the end.

 **Mutual fund**

Pools many people's money to own many stocks or bonds. Its price is set once a day, after the market closes.

 **ETF**

An exchange-traded fund. It owns many stocks or bonds, and is bought and sold like a stock, all day.

 **Risk**

The chance of losing money. More risk can mean a bigger gain or a bigger loss.

Check every box that is true.

	Stock	Bond	Mutual fund	ETF
Example Part of owning one company	☒	☐	☐	☐
1. A loan that pays interest	☐	☐	☐	☐
2. Holds many stocks or bonds	☐	☐	☐	☐
3. Its price is set only once a day	☐	☐	☐	☐

Circle true or false.

Example The price of a share can go up or down.

true

false

4. A bond pays back the loan at the end.

true

false

5. A share of stock is a loan to a company.

true

false

6. An ETF is a share of just one company.

true

false

7. An ETF can be bought and sold all day, like a stock.

true

false

8. A mutual fund's price changes all day long.

true

false

9. More risk can mean a bigger gain or a bigger loss.

true

false

Buying Shares

Multiply to find the cost. Divide to find how many shares.

Remember

Cost = price of one share $\times$ number of shares

Shares you can buy = money $\div$ price of one share. The remainder is left over.

Find the cost of the shares.

Company	Price of one share	Shares	Cost
Example  Sunny Snacks	\$12.50	8	\$100.00
1.  Maple Bikes	\$24.75	6	_____
2.  Robot Pals	\$8.40	15	_____
3.  Star Shoes	\$36.25	4	_____
4.  Cloud Nine Games	\$15.35	12	_____

How many whole shares can you buy? How much money is left?

Company	Money	Price of one share	Shares	Money left
Example  Green Farms	\$100	\$13	7	\$9
5.  Happy Paws Pets	\$500	\$36	_____	_____
6.  Bright Lights Power	\$1,000	\$45	_____	_____
7.  Sky High Airlines	\$750	\$28	_____	_____
8.  Lemon Tree Drinks	\$1,200	\$47	_____	_____

A dividend is part of the profit, paid for each share.

Example



Sunny Snacks

Mia owns **40** shares. It pays **\$0.45** a year for each share.

Dividend: \$18.00

9.



Maple Bikes

Raj owns **25** shares. It pays **\$1.20** a year for each share.

Dividend: _____

10.



Star Shoes

Ava owns **150** shares. It pays **\$0.08** a year for each share.

Dividend: _____

Share Prices Change

Read the graph. Then find each gain or loss.

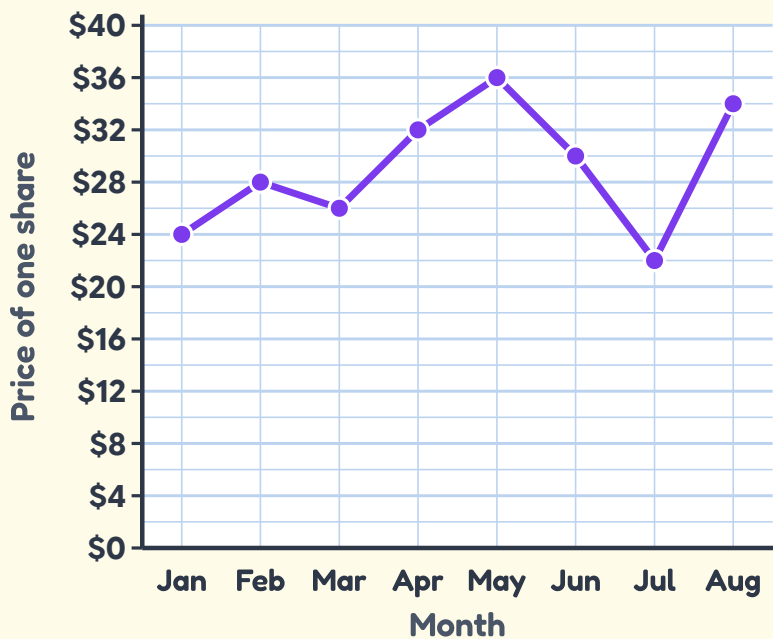
Remember

If you sell shares for more than you paid, you have a **gain**.

If you sell them for less than you paid, you have a **loss**.



The price of one share of Rocket Toys, month by month



Example The price in March: \$26

1. The highest price: _____ in _____

2. The lowest price: _____ in _____

3. The biggest drop in a month: _____

4. The rise from July to August: _____

Use the graph. Find what each person paid and got back.

Example Leo buys **10** shares in January. He sells them in May.

Paid \$240 **Got back** \$360

gain **loss** of \$120

5. Nia buys **15** shares in May. She sells them in July.

Paid _____ **Got back** _____

gain **loss** of _____

6. Kim buys **25** shares in March. She sells them in June.

Paid _____ **Got back** _____

gain **loss** of _____

7. Omar buys **14** shares in April. He sells them in July.

Paid _____ **Got back** _____

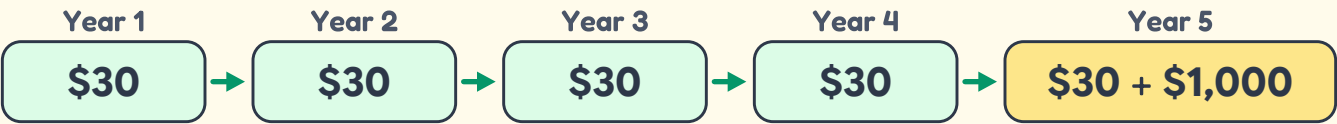
gain **loss** of _____

Bonds Pay Interest

Find the interest a bond pays and the total you get back.

Remember

A **bond** is a loan to a company or a government. It pays interest every year. When it ends, the loan is paid back, like this **\$1,000** bond for **5** years:



Interest: $5 \times \$30 = \$150$. In all you get back $\$1,000 + \$150 = \$1,150$.

Find the total interest and the total you get back.

Bond from	Loan	Interest each year	Years	Total interest	Total you get back
Example  Maple Bikes	\$500	\$20	4	\$80	\$580
1.  Town of Oakdale	\$1,000	\$35	10		
2.  Blue Lake Foods	\$500	\$27.50	6		
3.  River County	\$1,000	\$42.50	8		
4.  Sunny Snacks	\$1,000		5	\$225	

Find the interest for one year. How much more does the bond pay?

Money	Savings account pays	Interest	Bond pays	Interest	How much more
Example \$500	\$2 per \$100	\$10	\$4 per \$100	\$20	\$10
5. \$1,000	\$1.50 per \$100		\$3.50 per \$100		
6. \$800	\$2.25 per \$100		\$5 per \$100		

Which one is it? Circle savings account or bond.

Example A city borrows money for a new bridge.	savings account	bond
7. You can take your money out on any day.	savings account	bond
8. You get the loan back at the end of a set time.	savings account	bond

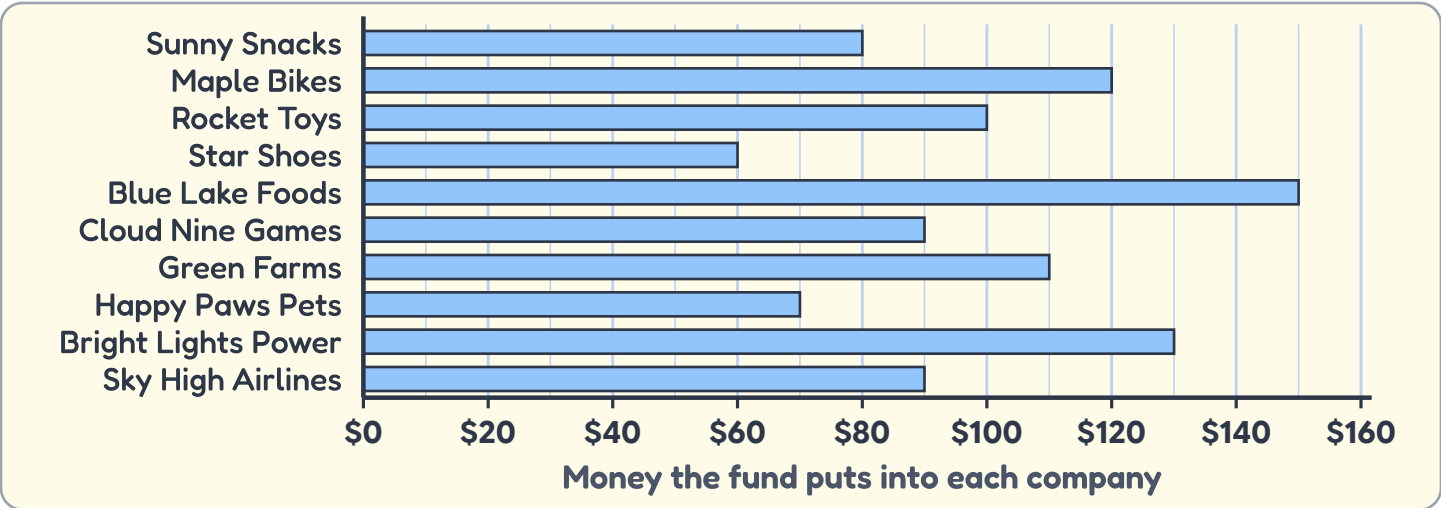
Funds and Risk

Read the graph. Then order the investments by risk.

Remember

Diversifying means owning many different things, like the companies in a fund. If one company does badly, the others can make up for it. That **lowers risk**.

The Big Basket Fund puts \$1,000 into 10 companies.



Example How much does the fund put into Star Shoes? **\$60**

1. Rocket Toys loses half its value. How much does the fund lose? _____
2. If the others stay the same, what is the fund worth now? _____
3. Zoe puts **\$1,000** in Rocket Toys alone. How much does she lose? _____
4. Zoe loses how many times as much as the fund? _____

Write 1 to 4, from the lowest risk (1) to the highest risk (4).

☐



A fund of many stocks

☐



A savings account

☐



Shares of one company

☐



A bond

lower risk ————— More risk can mean a bigger gain, or a bigger loss. ————— **higher risk**

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3. Its price is set only once a day	☐	☐	☐	☐

Circle true or false.

Example

The price of a share can go up or down.

true

false

4. A bond pays back the loan at the end.

true

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5. A share of stock is a loan to a company.

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6. An ETF is a share of just one company.

true

false

7. An ETF can be bought and sold all day, like a stock.

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Multiply to find the cost. Divide to find how many shares.

Shares you can buy = money $\div$ price of one share. The remainder is left over.

Share Prices Change

Read the graph. Then find each gain or loss.

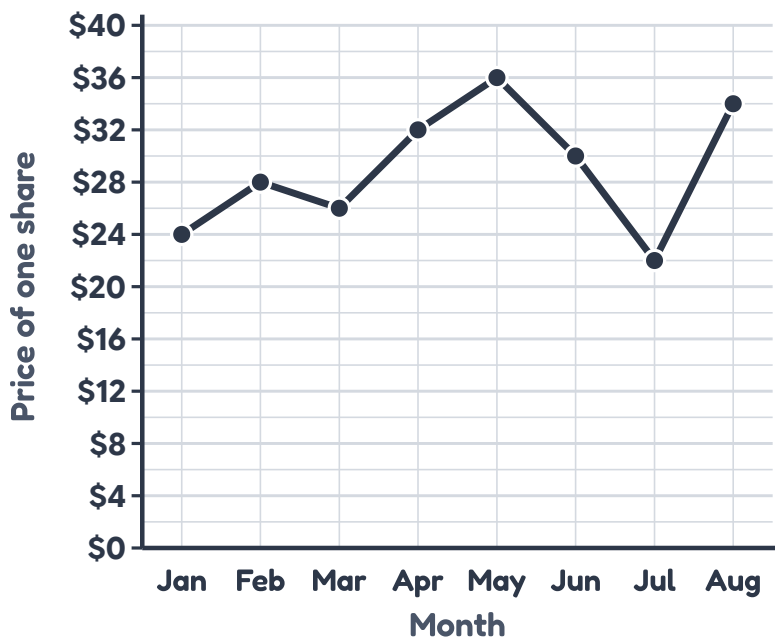
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The price of one share of Rocket Toys, month by month



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Find the interest for one year. How much more does the bond pay?

Money	Savings account pays	Interest	Bond pays	Interest	How much more
Example \$500	\$2 per \$100	\$10	\$4 per \$100	\$20	\$10
5. \$1,000	\$1.50 per \$100		\$3.50 per \$100		
6. \$800	\$2.25 per \$100		\$5 per \$100		

Which one is it? Circle savings account or bond.

- Example

 A city borrows money for a new bridge.

savings account

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savings account

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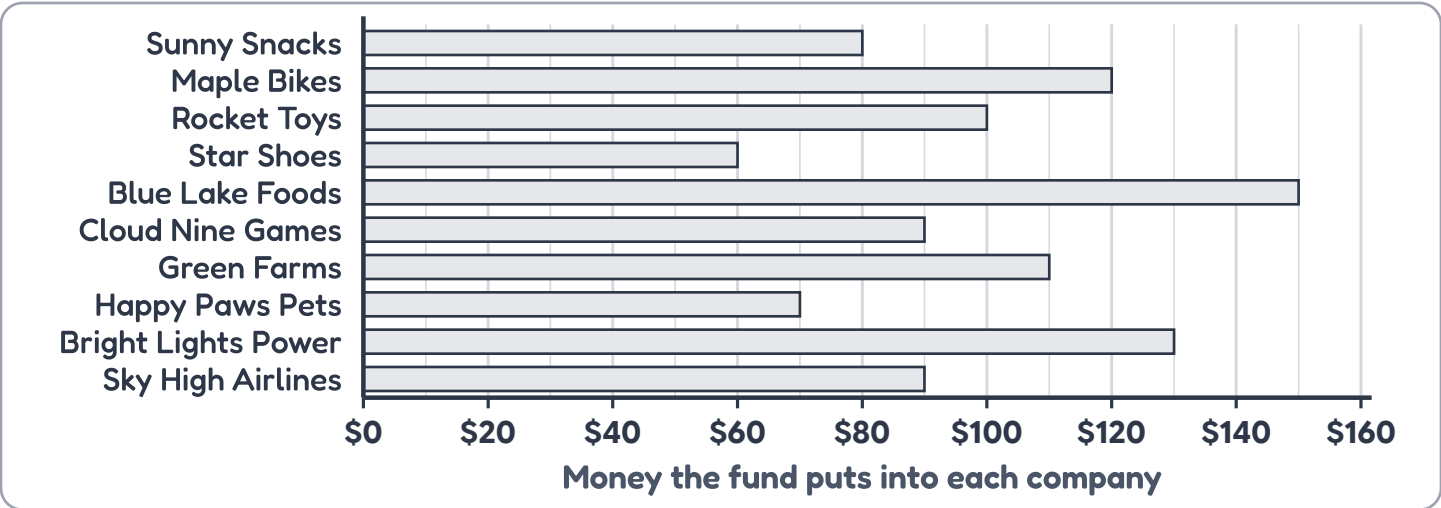
Funds and Risk

Read the graph. Then order the investments by risk.

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Buying Shares

Multiply to find the cost. Divide to find how many shares.

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Find the cost of the shares.

Company	Price of one share	Shares	Cost
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1.  Maple Bikes	\$24.75	6	\$148.50
2.  Robot Pals	\$8.40	15	\$126.00
3.  Star Shoes	\$36.25	4	\$145.00
4.  Cloud Nine Games	\$15.35	12	\$184.20

How many whole shares can you buy? How much money is left?

Company	Money	Price of one share	Shares	Money left
Example  Green Farms	\$100	\$13	7	\$9
5.  Happy Paws Pets	\$500	\$36	13	\$32
6.  Bright Lights Power	\$1,000	\$45	22	\$10
7.  Sky High Airlines	\$750	\$28	26	\$22
8.  Lemon Tree Drinks	\$1,200	\$47	25	\$25

A dividend is part of the profit, paid for each share.

Example



Sunny Snacks

Mia owns **40** shares. It pays **\$0.45** a year for each share.

Dividend: \$18.00

9.



Maple Bikes

Raj owns **25** shares. It pays **\$1.20** a year for each share.

Dividend: \$30.00

10.



Star Shoes

Ava owns **150** shares. It pays **\$0.08** a year for each share.

Dividend: \$12.00

Share Prices Change

Read the graph. Then find each gain or loss.

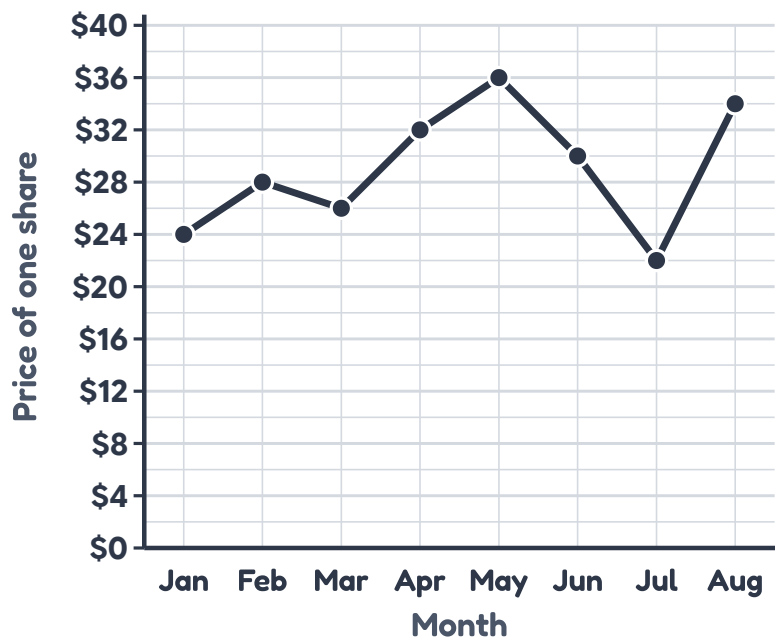
Remember

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The price of one share of Rocket Toys, month by month



Example The price in March: \$26

1. The highest price: \$36 in May

2. The lowest price: \$22 in July

3. The biggest drop in a month: \$8

4. The rise from July to August: \$12

Use the graph. Find what each person paid and got back.

Example Leo buys **10** shares in January. He sells them in May.

Paid \$240 Got back \$360

gain loss of \$120

5. Nia buys **15** shares in May. She sells them in July.

Paid \$540 Got back \$330

gain loss of \$210

6. Kim buys **25** shares in March. She sells them in June.

Paid \$650 Got back \$750

gain loss of \$100

7. Omar buys **14** shares in April. He sells them in July.

Paid \$448 Got back \$308

gain loss of \$140

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Find the interest a bond pays and the total you get back.

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Find the total interest and the total you get back.

Bond from	Loan	Interest each year	Years	Total interest	Total you get back
Example  Maple Bikes	\$500	\$20	4	\$80	\$580
1.  Town of Oakdale	\$1,000	\$35	10	\$350	\$1,350
2.  Blue Lake Foods	\$500	\$27.50	6	\$165	\$665
3.  River County	\$1,000	\$42.50	8	\$340	\$1,340
4.  Sunny Snacks	\$1,000	\$45	5	\$225	\$1,225

Find the interest for one year. How much more does the bond pay?

Money	Savings account pays	Interest	Bond pays	Interest	How much more
Example \$500	\$2 per \$100	\$10	\$4 per \$100	\$20	\$10
5. \$1,000	\$1.50 per \$100	\$15	\$3.50 per \$100	\$35	\$20
6. \$800	\$2.25 per \$100	\$18	\$5 per \$100	\$40	\$22

Which one is it? Circle savings account or bond.

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savings account

bond

8. You get the loan back at the end of a set time.

savings account

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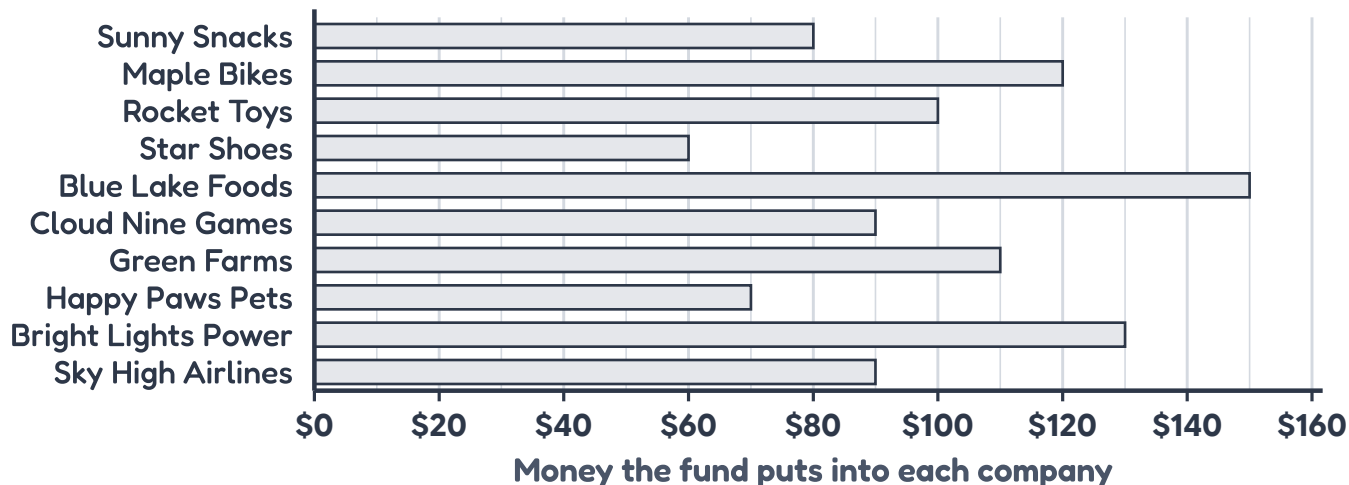
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The Big Basket Fund puts \$1,000 into 10 companies.



Example

How much does the fund put into Star Shoes?

\$60

1. Rocket Toys loses half its value. How much does the fund lose?

\$50

2. If the others stay the same, what is the fund worth now?

\$950

3. Zoe puts \$1,000 in Rocket Toys alone. How much does she lose?

\$500

4. Zoe loses how many times as much as the fund?

10

Write 1 to 4, from the lowest risk (1) to the highest risk (4).

3



A fund of many
stocks

1



A savings account

4



Shares of one
company

2



A bond

lower risk ————— More risk can mean a bigger gain, or a bigger loss. —————> higher risk