



Fargo-Moorhead Schools Stock Challenge
Sponsored by
Concordia College, Offutt School of Business

Participant Guide

Greetings Fargo-Moorhead Schools,

The Offutt School of Business at Concordia College is happy to offer a stock trading challenge for Fall 2021. This online program will bring real world investment strategies and practices used in our Parke Technology Center. We hope this opportunity will be a great introduction to investing and an engaging way for students to continue to sharpen their decision making and critical thinking skills.

Teams, consisting of 4 students, will begin the stock challenge with \$200,000 USD to invest in stocks, bonds, and mutual funds. They will manage their portfolio during an 11-week simulation utilizing the Concordia College Global Markets Platform. Teams will manage their portfolio, according to the rules, to win some great cash prizes.

Registration is open, trading will begin on September 20, and terminate at market close on December 3. Winners will be announced by December 15.

(Note: The registration window will remain open until October 4.)

Please use the following advisor guide to familiarize yourself with the Stock Challenge.

We hope your students have a great experience.

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The Simulation

Teams begin the simulation with a portfolio of \$200,000 USD to invest in stocks, bonds, and mutual funds. By participating in an active trading simulation, we hope students will gain basic understanding of the role and operation of the financial markets.

Prizes will be awarded to the top 3 teams, based on their average portfolio return on the last day of the challenge, in the following amounts \$300, \$200, and \$100. Prize funds will be equally divided among the 4 student participants per team.

General Requirements

The key objective is for students to learn about the role and operation of the financial markets.

Registration

- Teams must have their teacher complete the registration form.
- Teams must have 4 student members.
- Teams are comprised of students from the same class or student organization.
- Each class or student organization can have multiple teams.
- Students can only be registered on one team per tournament.
- Suggestion, teams could nominate 1 student to be the active trader for the group, the remaining members will be investment advisors.
- When registering teams, you will be asked how many teams you wish to register. Having done so, the system will email you the usernames and passwords for you to distribute.

Technical Support:

help-desk@stocktrak.com

Hours: 8:00am - 4:30pm

(You can expect a reply by next business day.)

Securities Traded:

There are several different types of securities that can be traded including stocks, equities, ETFs, mutual funds and bonds. All trades happen in real-time.

Trading Stocks

To make a trade, you must click on the “**Trade Stock**” tab and then enter your trade information – **Transaction type, Number of shares, and the Ticker symbol**. You may then click on the “Send Your Trade Request” to submit your trade. Once you send your request, you will be taken to a **Stock Order Preview Page** so you can review your order.

This preview page will show you the number of shares you are getting ready to buy or sell, 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 Make A Trade button on the bottom and your trade will then be submitted and you will be taken to a **Stock Confirmation Page**. If there is anything you may want to change, click on the Cancel Trade button at the bottom and the trade will be canceled.

On the **Confirmation page** you will receive a copy of your trade and the corresponding confirmation number that is assigned to that trade.

When trading stocks, you must trade in shares or in units. You may trade any number of shares that you wish if 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 \$10 USD. If you invest in a stock and the price goes below \$10.00 USD, you don't have to sell the stock, you may still hold your position. You just cannot purchase any more shares of the stock. You are also limited to 300 total trades. If you use all your trades, then you are done for the remainder of the simulation. Each buy and sell counts as a trade. For example, if you buy 100 shares of a stock and then sell 25 shares of a different stock, that counts as two trades.

There is also a position limit of \$20,000 per individual security. In other words, you cannot invest more than \$20,000 in a single stock, bond etc.

The Stock Market

The U.S. stock markets are open Monday through Friday from 9:30 am to 4:00 pm ET in the USA. 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. The stock markets close on all official holiday days for the 2021 trading year. When the stock markets are closed, participants 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 securities

Transaction Costs

There will be a \$10 flat fee commission calculated on the total cost of the entire transaction for all trades, regardless of the number of shares or the price traded. This means that if you buy \$20 worth of stock or \$10,000, you will still only pay a \$10 fee for each trade.

Account Information

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.”

Your 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. At the end of the simulation period, you do not need to sell all your stock holdings. Your final team standings will be based on the last day’s closing prices.

Stock Research

Researching a Company can easily be done on the Quotes and “Research” pages accessed through the Main Menu located in your home page.

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.

Enter 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 challenge website is the Research page. Clicking on the “Research” tab on the top navigation bar will open the following categories: 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 participant. Some companies’ annual reports are available to be mailed to you by selecting “Free Annual Report” from the “Fundamental Research” heading.

Trading Rules (Important Please Review)

1. Teams will begin with \$200,000 in virtual cash.
2. Teams must make a minimum of 25 trades.
3. Teams cannot spend more than 10% of their portfolio value on any one stock.
4. Teams must diversify their portfolios, so no more than 25% can be invested in any security type, (stocks, bonds, mutual funds, etc.).

Stock Market Glossary

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, usually one year.

Bear Market

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

Bid

The price a prospective buyer is prepared to pay at a 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".)

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 security 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 stockholders 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 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.

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 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.

ETF

An exchange-traded fund is an investment fund traded on stock exchanges, much like stocks. An ETF holds assets such as stocks, commodities, or bonds and generally operates with an arbitrage mechanism designed to keep it trading close to its net asset value, although deviations can occasionally occur

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.

Limit Buy Sell, Stop Order

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

Listed Stock

A stock that is traded on a major exchange.

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.

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.

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.

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 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.

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.

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 & Portfolio Value

All the different investments owned by the same individual or organization. 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 stockholders. In the event of liquidation, their rights come before common stockholders, 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 fraction derived by dividing the market price of a company by earnings per share. This is thought to gauge the value of the stock relative to current market conditions.

Securities

For financial markets these are the many types of financial instruments 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 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 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.

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 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

