

Do You Know the Rules?

Please answer the following questions in complete sentences. Be sure to cite the rule that supports your answer.

1. Excluding interest earned, how much cash does each team begin The Stock Market Game with?
2. Does The Stock Market Game pay dividends? If yes, please cite the text that supports your answer.
3. Will transactions entered with a limit price be held past the initial posting?
4. What is one reason a team will not appear in the rankings?
5. In an End-of-Day Game, which day's closing price will a trade entered on a Friday at 6:30pm will receive?
6. What is the minimum number of shares for a buy order?
7. What is the broker's fee on all trades?
8. What is the annual percentage rate charged to teams with a negative cash balance?
9. What is the annual percentage interest rate that cash balances (money not yet spent) will earn?
10. Do teams have to liquidate (sell everything off for cash) their portfolios at the end of their trading session?



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Answer Key

1. Excluding interest earned, each Stock Market Game team begins the game with a cash balance of \$100,000. This is stated in The Stock Market Game's first rule: "Each team begins the simulation with \$100,000 in cash."
2. Yes, The Stock Market Game pays dividends. It can be inferred from Rule 15, where it states: "Stock and cash dividends and stock splits are automatically computed into portfolios."
3. No, trades entered with a limit price that is not met at the close of business that day will not be held. This is stated in Rule 3: "Transactions entered with a limit price will not be held past the initial attempt to price the transaction. This applies to End of Day or Real Time Games."
4. One reason a team will not appear in Rankings is they have not successfully entered their first trade. This is stated in Rule 13: "A team will not receive a portfolio nor be listed in regional rankings until its initial transaction is entered successfully."
5. In an End-of-Day game, a trade entered at Friday, 6:30PM ET, will receive the following Monday's closing price. If the following Monday is a holiday and the markets are closed, it will receive the following Tuesday's closing price. This is stated in Rule 9: "Stock trades entered after close of market (4:00 PM ET) will be priced at next day's closing price for the End of Day Game."
6. Rule 4 states that "All buy orders must be a minimum of 10 shares."
7. Rule 7 states: "A 1% broker's fee is charged for all transactions."
8. Rule 1 states: "Interest is charged weekly on negative cash balances at an annual rate of 7.00%, and credited weekly on positive cash balances at an annual rate of 0.75%."
9. According to Rule 1: "Interest is charged weekly on negative cash balances at an annual rate of 7.00%, and credited weekly on positive cash balances at an annual rate of 0.75%."
10. No, according to Rule 10, teams do not have to liquidate their portfolios at the end of their game. Rule 10: "Teams do not have to liquidate their portfolios at the end of The Game."



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