

**KOFA HIGH SCHOOL SOCIAL SCIENCES DEPARTMENT**

**ECONOMICS**

**VIDEO STUDY GUIDE - HISTORY OF THE STOCK MARKET**

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**\*\* INTRODUCTION \*\***

**WHAT IS CONSIDERED THE MOST IMPORTANT STREET IN THE WORLD ?**

**MASSIVE TRANSACTIONS TAKE PLACE ON THE STOCK EXCHANGES :**

**HOW MANY SHARES OF STOCK ARE TRADED ? \_\_\_\_\_**

**HOW MUCH MONEY CHANGES HANDS EVERY MINUTE ? \_\_\_\_\_**

**IT IS SAID THAT THE STOCK EXCHANGES ARE TWO MARKETS IN ONE :**

- 1. NEW COMPANIES USE IT TO RAISE \_\_\_\_\_**
- 2. PEOPLE / INVESTORS USE IT TO TRADE \_\_\_\_\_**

**WHAT PERCENTAGE OF AMERICAN FAMILIES OWN STOCK ?**

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**\*\* ROGUES AND RACKETEERS - THE BEGINNING OF INVESTMENT \*\***

**THE ROOTS OF INVESTING REACH BACK TO ANCIENT \_\_\_\_\_**

**THE ROMANS OFFERED INVESTORS STOCK IN \_\_\_\_\_  
CONSTRUCTION PROJECTS**

**IN 1600 TRADING COMPANIES IN HOLLAND OFFERED STOCK TO INVESTORS  
AND HAD THE BENEFIT THAT INVESTORS COULD NOW \_\_\_\_\_**

**EARLY STOCK TRADING MADE \_\_\_\_\_ THE ECONOMIC  
POWERHOUSE OF THE WORLD**

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**\*\* WALL STREET AND THE NEW YORK STOCK EXCHANGE IS BORN \*\***

**WHERE DOES "WALL STREET" GET ITS NAME FROM ?**

**STOCKS WERE FIRST TRADED IN OPEN AIR \_\_\_\_\_**

**IN 1792, TO AVOID GOVERNMENT REGULATION AND COMPETITION**

**MERCHANTS WHO AUCTIONED STOCK SIGNED THE \_\_\_\_\_**

**AGREEMENT**

**STOCKS BECAME TRADED : PUBLICLY OR PRIVATELY ?**

**STOCK PRICES WERE BID IN INCREMENTS OF \_\_\_\_\_ OF A DOLLAR**

**WHICH WAS A HOLD OVER FROM WHEN GOLD WAS AVAILABLE IN "PIECES  
OF \_\_\_\_\_"**

**AT THE BEGINNING, THE STOCK OF HOW MANY COMPANIES WERE TRADED  
ON THE WALL STREET EXCHANGE ?**

**"BULL AND BEAR" TERMINOLOGY WAS CREATED .....**

**A "BULL" BELIEVES STOCK PRICES WILL \_\_\_\_\_**

**A "BEAR" BELIEVES STOCK PRICES WILL \_\_\_\_\_**

**HEDDY GREENE WAS CALLED THE "WITCH OF WALL STREET" AS SHE**

**BUILT A FORTUNE OF OVER 100 MILLION ( 2 BILLION IN TODAY'S MONEY)**

**BY INVESTING IN \_\_\_\_\_ STOCKS**

**ONE OF THE MOST FAMOUS EARLY STOCK BROKERS WAS JOHN GOULD WHO BECAME THE MASTER OF THE “ SHORT SALE ” = YOU MAKE MONEY WHEN THE PRICE OF STOCK GOES \_\_\_\_\_**

**SMALL COMPANY STOCK WAS FIRST TRADED OUTSIDE THE NEW YORK STOCK EXCHANGE BY \_\_\_\_\_ BROKERS AND THEY EVENTUALLY FORMED THE \_\_\_\_\_ STOCK EXCHANGE**

**WORLD WAR 1 CLOSED THE STOCK EXCHANGE FOR \_\_\_\_\_**

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**\*\* MILESTONES IN INFORMATION AGE DEVELOPMENTS \*\***

**WHAT TECHNOLOGY ADVANCEMENT IN THE MID 1800 's REVOLUTIONIZED THE STOCK EXCHANGE ?**

**IN 1867 THE INVENTION OF THE “ STOCK TICKER ” REVOLUTIONIZED THE EXCHANGE . THE “ TICKER ” PROVIDED \_\_\_\_\_ INFORMATION**

**IN 1889 THE FIRST ISSUE OF THE \_\_\_\_\_ WAS PRINTED . IT COST \_\_\_\_\_ PER COPY**

**PUBLISHERS CHARLES DOW AND EDWARD JONES BEGAN PUBLISHING A DAILY INDEX OF 12 STOCKS THAT BECAME KNOWN AS THE \_\_\_\_\_**

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**\*\* THE 1920's AND THE CRASH OF 29' \*\***

**THE NEW YORK STOCK EXCHANGE HAD A NEW TRADING FLOOR AND NEW FEATURES :**

- \_\_\_\_\_ - **PLACE ON THE FLOOR WHERE STOCKS ARE LISTED FOR SALE BY INDUSTRY**
- \_\_\_\_\_ - **NOW CONTROLLED THE AUCTION**

**BETWEEN 1924 AND 1929 THE DEMAND FOR STOCKS PUSHED THE DOW JONES INDUSTRIAL AVERAGE UP OVER \_\_\_\_\_**

**WHAT DOES IT MEAN TO BUY STOCK ON "MARGIN" ?**

**AT THE START OF THE CRASH IN OCTOBER 1929 THE STOCK TICKER WAS RUNNING \_\_\_\_\_ HOURS BEHIND**

**CRASH DAMAGE STATISTICS :**

- **THE DOW JONES INDUSTRIAL AVERAGE FELL \_\_\_\_\_**
- **OVER \_\_\_\_\_ OF INVESTMENTS WERE WIPED OUT**

**THE CRASH REVEALED FLAWS IN THE UNREGULATED MARKET FOR STOCKS.**

**NAME TWO REFORMS THAT WERE ENACTED DURING THE ROOSEVELT ADMINISTRATION**

**1.**

**2.**

**WHAT GOVERNMENT AGENCY DID PRESIDENT ROOSEVELT HAVE CREATED THAT WAS RESPONSIBLE FOR MONITORING THE FINANCIAL MARKETS ?**

**HARRY MARKOWITZ WAS A FAMOUS ECONOMIST WHO WON A NOBEL PRIZE FOR DEVELOPING HIS THEORY REGARDING \_\_\_\_\_ OF INVESTMENTS**

**COMPUTERS HAD THE MOST DRAMATIC EFFECT IN CHANGING THE WAY THE STOCK EXCHANGE WORKED . BY 1960 COMPUTERS HAD AUTOMATED OVER \_\_\_\_\_ SHARES A DAY**

**AUTOMATED TRADING DRIVEN BY COMPUTER TECHNOLOGY WAS ALSO RESPONSIBLE FOR THE LARGEST ONE DAY DROP IN MARKET VALUE . ON OCTOBER 19, 1987 THE MARKET DROPPED \_\_\_\_\_ POINTS WHICH WAS A VALUE OF \_\_\_\_\_ PERCENT**

**AS A RESULT OF THE OCTOBER 1987 CRASH THE STOCK EXCHANGE PUT IN \_\_\_\_\_ TO CONTROL MARKET VOLITILITY**

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**\*\* THE VIRTUAL MARKET \*\***

**THE NATIONAL ASSOCIATION OF SECURITIES DEALERS AUTOMATED QUOTATION SYSTEM ( NASDAQ ) WAS THE WORLD' FIRST \_\_\_\_\_ EXCHANGE**

**THE NASDAQ PRIMARILY SERVES WHAT TYPE OF BUSINESSES ?**