Lesson 6

Chapter 3: How to invest

Subtopic: Types of stock orders

Grade level: 9–12

Duration: 60 minutes

Learning objectives

- Understand the purpose of stock orders and why they are important in DIY (do-it-yourself) investing
- Identify and define different types of stock orders, including market orders, limit orders, stop orders, stop-limit orders and trailing stop orders
  - Differentiate between order types based on how and when they are executed
- Apply real-life examples to illustrate how each order type works in practice
- Evaluate key factors that affect stock order execution, such as broker fees, bid-ask spreads and order duration

Cross-curricular connections

MATH (GRADES 9–12)

- Describe ways in which interest rates and other incentives can affect savings, investments and purchases
- Analyze and interpret financial data, including stock market performance, to make informed decisions

LITERACY (GRADES 9–12)

- Demonstrate understanding of increasingly complex texts by summarizing important ideas and citing supporting details
- Extend understanding of texts by making connections to personal knowledge, experiences and other texts

BUSINESS (GRADES 9–12)

- Identify and apply elements of financial risk-taking and decision-making when analyzing scenarios involving investment choices
- Apply design thinking to create and revise financial strategies
- Explain how supply and demand influence stock price fluctuations and trading behaviour
- Evaluate the impact of external factors like economic trends and information flow on business decisions such as stock order types
- Use stock simulations of unpredictable market movements to hone entrepreneurial skills like adaptability and calculated risk-taking.
- Explain how the stock market works and how to read stock market quotations

21st-century skills

COLLABORATION
Communicating strategies and negotiating different ideas to agree on a final action

CRITICAL THINKING
Analyzing market patterns, evaluating different order types and choosing the best trading strategy

COMMUNICATION
Engaging in class discussion and reflecting on decisions in a clear, thoughtful way

Materials
- Fidelity Video: Types of orders
- Projector
- Fidelity PowerPoint
- Minds On handout (one per student, printed)
- Types of Stock Orders handout (one per person, printed)
- Stock Market Tracker sheet and Consolidation question sheet (one per team of four; printed double-sided)
- Calculators (if students need)
- Die (physical or digital)

MINDS ON

Activity: Think, Pair, Share

MATERIALS:
- Minds On handout (one per person, printed)
- Fidelity PowerPoint

Total duration: 15 minutes

INSTRUCTIONS:
1. Distribute the Minds On handout for each student. Use the slideshow to help guide the Minds On discussion.
2. Allow students to think (5 minutes) and write down their thoughts.
3. Allow students to pair up and share their thoughts, writing down what was similar and different (5 minutes).
4. Allow students to share with the class, polling who would buy now, wait or sell, and what factors they would consider before deciding (5 minutes).

MAIN LESSON

Activity: Stock order lesson and Stock Market Game

Video duration: 7 minutes

Total duration: 30 minutes

MATERIALS:

- Types of Stock Orders handout (one per person, printed)
- Stock Market Tracker sheet (one per team of 4, printed)
- Fidelity PowerPoint
- Fidelity Video
- Calculators (if students need)
- Die (physical or digital)

Lesson instructions: Use the slideshow to guide this game.

1. Distribute the Stock Orders handout. Students will complete it while watching the video lesson or reviewing the transcript.
2. Take up the handout using the slideshow as an aid. Ask students to contribute before revealing the answers on the slides.

Game instructions: Use the slideshow to guide this game.

1. Divide students into teams or pairs. Each group will act as investors starting with $500 in virtual cash and 0 shares.
2. Distribute the Stock Market tracking sheet. Students will use this to record each round's stock price, their trading actions, shares, cash and portfolio value.
3. Announce the starting stock price (e.g., $50) and begin Round 1.
4. Have each team choose a type of stock order (market, limit, stop-loss, stop-limit, or trailing stop) and decide how many shares they want to buy or sell. They may use the Stock Orders handout as an aid.
5. Roll a die to simulate market change. Use the matching "Rumour Alert" to explain the new stock price (+ or –).
6. Teams determine if their order was successful and update their tracking sheet accordingly. Remind students to calculate their portfolio value (cash + shares × current price) after each round.
7. Repeat for five rounds. At the end of Round 5, declare a winner. The team with the highest total portfolio value wins!

CONSOLIDATION

Activity:

Duration: 15 minutes

MATERIALS:

- Stock Market Tracker sheet (back side of the Consolidation question sheet)
- Minds On handout (already distributed)

INSTRUCTIONS:

1. Have students remain in their groups. The back side of the Stock Market Tracker sheet has a list of Consolidation questions. Students can choose one question per category to reflect on as a team and discuss questions orally (10 minutes). The teacher can circulate the room and interact with different groups to learn about their experiences and record formative assessment.
2. Have students independently complete the Post-Lesson Activity (backside of Minds On handout) and record their decisions for the same scenario again (5 minutes). This sheet can be collected for formative assessment.

Citations

Ontario Ministry of Education. (2024). *Business studies curriculum*. The Ontario Curriculum. https://www.dcp.edu.gov.on.ca/en/curriculum/business-studies

Ontario Ministry of Education. (2006). *The Ontario curriculum, grades 11 and 12: Business studies*. Queen's Printer for Ontario. https://www.dcp.edu.gov.on.ca/en/curriculum/secondary-business-studies/courses/bif3c

Ontario Ministry of Education. (2007). *The Ontario curriculum, grades 9 and 10: English*. Queen's Printer for Ontario. https://www.dcp.edu.gov.on.ca/en/curriculum/secondary-english/courses/eng1d

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