



Accounting II Virtual Learning

HS/21st Century Skills - Part 1

April 7, 2020



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Lesson Topic - 21s Century Skills - Should you buy stock?

Bell ringer: What is stock?

Lesson Objectives:

1. Understand stocks and stock ownership.
2. Students will use critical thinking to determine who should serve on a board of directors.



Read the following:

A share of stock is a unit of ownership in a corporation. Stock may be purchased by individuals, investment companies, pension funds, institutions, banks, and other companies. Publicly traded stocks are bought and sold on stock exchanges throughout the world. Ownership of a corporation's stock entitles the owner to distributions of earnings if dividends are declared. Many investors, however, buy stock with the expectation that it will increase in value and the stock can be sold for a profit.

Stock ownership entitles the owner to vote at stockholders' meetings proportional to the number of shares owned. Important issues regarding the corporation may be decided at these meetings including the election of the members of the board of directors. Sometimes an individual or group of stockholders will attempt to gain a majority of a company's stock in order to elect their choice of directors and thus take control of the company.

Investors might determine which stocks they will purchase based on political or social issues. For example, an investor might buy stocks only of companies that have environmental policies. Another investor might buy stocks only of companies that have family-friendly policies allowing for a balance in work and family life for their employees.



Application:

1. Assume that as a stockholder you are responsible for selecting the membership of the board of directors for a new social network company. Identify three types of individuals (by job title) whom you would like to serve on the board of directors. Explain why each individual would be a valuable contributor.
2. Compose a letter to one of these individuals asking them to serve on the board of directors for your company. Using persuasion, explain why their involvement would be beneficial to everyone.