

Learning outcomes: Lesson 7

How to buy and sell shares?

Students

Understand the day-to-day operations of the ASX.

Learn how to manage their share investments.

Understand the terminology and strategies used by investors.

Lesson 7 is focused on how the ASX operates and how to buy and sell shares. Students learn how to get started in investing, where they can access important information, and explore stockbroking as a career. It allows students to understand the terminology around investing and how the system works. This lesson allows students to investigate careers relating to finance, accounting and business.

General capabilities related to this lesson

- Literacy
- Information and Communication Technology (ICT) Capability

Terminology (skill directives)

Describe: Provide characteristics and features.

Identify: Recognise and name; establish or indicate who or what someone or something is.

Outline: Sketch in general terms; indicate the main features of; plan, collect and interpret data/information and draw conclusions about.

Links to curriculum

Australian Curriculum

Subject: Economics and Business

- Year 8
- Year 9
- Year 10

NSW

Subject: Commerce

- Core 1: Consumer and Financial Decisions
- Core 2: Economic and Business Environment
- Core 3: Employment and Work Futures
- Option 1: Our Economy
- Option 2: Investing

Glossary

Brokerage: The fee charged by stockbrokers to investors to act on their behalf in the buying of shares.

Equity: The amount of money invested into a business by shareholders.

Float: When a company issues shares to the public for the first time. This may also be referred to as an Initial Public Offering (IPO).

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Solutions

Activity 1

Statement	True	False
a An investor must physically go to the counter at the Australian Securities Exchange (ASX) and purchase shares directly from there.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b If an investor wants to receive advice about buying or selling shares on the secondary market they should use a full-service stockbroking firm.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c When an investor buys shares, they are buying them directly from the stockbroking firm who has a supply of them.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d The computerised trading system matches buy and sell orders and then trades them automatically.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e All information should be sought from the same source and at a local level.	<input type="checkbox"/>	<input checked="" type="checkbox"/>