

**Social Studies 11**  
**Unit: Interwar Years**  
**Lesson 4 of 8**  
**Duration: 80 minutes**

**Lesson Title: Stock Market Crash**

<b>Rationale</b>	This lesson will give students the opportunity to experience an interaction with what is considered to be a major democratic institution, the stock market. They will participate in a stock market simulation, buying and selling stocks from the 1920s. They will determine how and why the stock market crashed and the affects it had on the economy.
<b>Objectives</b>	Students will be able to: <ul style="list-style-type: none"> <li>• Assess why the stock market crashed and the consequences it had on the economy</li> <li>• Interact in a stock market simulation; gaining perspective of citizens during the 1920s</li> </ul>
<b>Resources</b>	<ul style="list-style-type: none"> <li>• Power point presentation</li> <li>• Stock Market Simulation Handout (3 pages)</li> </ul>
<b>Introduction</b> (10 minutes)	<b>Hook:</b> show video of celebrities opening the New York stock exchange. Ask students what they know about the stock market. Give background on how the stock market functions and the conditions of the stock exchange in the 1920s and the idea of buying on credit. Introduce lesson topic: stock market simulation that has students buying their own stock.
<b>Body of Lesson</b> (60 minutes)	<p><b>Teacher led:</b> (10 minutes)</p> <ul style="list-style-type: none"> <li>• Emphasize that the stock market is a characteristic of free enterprise, the capitalist system and a component of what the western world sees as democracy. It is a democratic institution.</li> <li>• Go into detail about the capitalist system; focus on conditions of the economy in the 1920s</li> </ul> <p><b>Stock Market Simulation:</b> (40 minutes)</p> <ul style="list-style-type: none"> <li>• Students will be divided into teams</li> <li>• In the simulation they will take part in stock trading. The stocks being offered are from real companies that existed in the 1920s.</li> <li>• They will be given a Stock Market Simulation handout explaining the rules and structure of the activity. Give them a few minutes to read this over and ask any questions.</li> <li>• There will be a series of rounds whereby teams can buy or sell their stock. Each round represents a year, starting in 1920.</li> </ul>

	<ul style="list-style-type: none"> <li>• They will have approximately 5 minutes each round to discuss within their team what they will buy or sell.</li> <li>• Begin round 1 and continue through the simulation until it reaches round 8 in 1929-1930.</li> </ul> <p><b>Teacher led:</b> (10 minutes)</p> <ul style="list-style-type: none"> <li>• Discuss why the stock market crashed.</li> <li>• Determine the affects the crash had on the economy; how it destroyed the capitalist system, social consequences</li> <li>• This will lead into the Great Depression</li> </ul>
<b>Closure</b> (10 minutes)	<ul style="list-style-type: none"> <li>• Have students answer the questions on the last page of the Stock Market Simulation handout and turn it in at the end of class</li> <li>• There is no homework</li> </ul>
<b>Assessment</b>	<p><b>Formative:</b></p> <ul style="list-style-type: none"> <li>• The question sheet (page 3) of their handout will be assessed to see if they have a connection between the stock market crash and the affect it had on the economy</li> <li>• During the simulation activity the teacher will observe if students are collaborating with one another, exchanging ideas and showing they understand the process of buying stock.</li> </ul>
<b>Extension</b>	<ul style="list-style-type: none"> <li>• Have a class discussion on the risks of buying stock today.</li> <li>• Discuss whether students would be willing to make such risks given what happened in 1928.</li> <li>• Look at today's economic issues; the recession</li> </ul>