

Stock Market Project Student Instructions

The primary objectives of this project are to become familiar with businesses in the sport industry and to become familiar with investment strategies through the use of common stock investments. The project is also designed to be a fun competition between the students. For this project, we will be using the New York Stock Exchange (NYSE) and National Association of Securities Dealers Automated Quotations (NASDAQ) and no other exchanges.

You will be given a fictional \$10,000 to invest in NYSE, NASDAQ, Over The Counter (OTC), or other stocks approved by the instructor. You need to identify sport-related stocks to purchase (for help, see the list of sport-related stock at the end of this document). To keep the project simple and easy to monitor, you must manage no fewer than three stocks and no more than six stocks at any time. You must also maintain at least a 50% weighted portfolio in stocks at all times (i.e., you must invest at least \$5,000). A 100% stock position is not required, but for the purposes of this exercise, noninvested money will receive no dividends (but will not diminish in value). The objective is to acquire as much capital as possible through the use of timely investments.

This project will be individual in nature. You are required to monitor the value of your investments. (Note: This will not simply be run on the honor system. As you'll see, the stakes are high. Therefore, a screen shot (or price quote printout) of each stock must be included in each ledger, with the purchased or sold stock highlighted. The bulk of the grading portion of the project will be focused on the ledger portion of the assignment (see instructions) due on **a specific date**.

You must keep track of how many shares of each stock you currently retain and the value of those stocks on certain days. To keep it simple, you will be permitted to trade only on certain days (rather than every day, like real investors in the market).

Buy-in (as examples): January 24

Trade days: February 12, March 4, March 25 (instructors can add more dates if they want)

Cash out: April 15

You must turn in a brief report (in the form of a ledger; see the included sample ledger) of your financial position at the class meeting on the aforementioned dates. (Note: This means you'll want to be up early on Thursday to have your latte, check your portfolio's status, and update your ledger; you can also check online on Wednesday night after the market closes at Yahoo! Finance). Each report should contain a brief, accurate, easy-to-understand numerical account of your portfolio, including the following:

1 From G. Fried, T. DeSchrive, and M. Mondello, 2020, *Sport Finance Web Resource*, 4th ed. (Champaign, IL: Human Kinetics).

- The company's name
- The company's trading symbol
- The number of shares purchased
- The current price per share
- The current total value of each stock
- Buy-in cost (–) *reflects transactions
- Sell amount (+) *reflects transactions
- Amount made or lost (+/–) on shares
- Total cash reserves
- Total portfolio value with dates

IMPORTANT: With each ledger, you MUST include a screen shot (either printed or saved as a pdf) listing your current stock values. If these are not included, you will not get credit for the assignment and will be exempt from the ultimate prize.

At the conclusion of the class, we will determine who has gained the most income from his or her investments. Although we are unable to use real money to increase the stakes of this project, we will substitute a different reward to up the ante. The person gaining the highest return on investment in this project will earn an exemption from the final exam (or some other reward).

Please see me if you have any questions.

Three- or Four-Page Company and Company Stock Evaluation (Due 1/24 with first purchase of stocks)

For this assignment, you will need to analyze three of your initially purchased stocks (although you may purchase up to six companies).

- Briefly (one or two paragraphs) describe how this organization is related to sport. What does the organization do in the sport industry?
- Why did you choose this company (one or two paragraphs)? You may have made this decision based on gut instinct or the likability of the company's products or services, but you will quickly learn with real money that your heart may not be as wise as your head!
- Please also note the following for each company you have invested in (list format is fine):

- Company name
- Symbol
- Headquarters
- Size (# of employees)
- Top competitors
- Annual sales
- Sales versus the industry
- Growth during past year
- Growth versus industry averages
- Net earnings
- Earnings per share
- Stock exchange location
- P/E ratio
- 52-week highs and lows

You may use S & P's stock reports or Moody's Manuals to find this information in a paper source. However, I encourage you to utilize the web to find this information because it offers up-to-the-second updates. You can use a brokerage house or the company website to answer most, if not all, of the listed questions. Popular websites include schwab.com, fidelity.com, and even yahoo.com's finance pages.

At this time you will also turn in your first ledger reflecting your buy-in to the stock market project. Be sure to include a copy of the screen shot or a one-page printout of the Yahoo! Finance web page listing your current stock values. The three- or four-page company stock evaluation should be stapled separately from the log. The log, and all subsequent logs, should be stapled, with the screen shot or one-page printout (for each stock) from the Yahoo! Finance web page stapled behind the log.

Stock Ledgers

A filled-out sample stock ledger has been provided with the instructor guide material for use. You will need to fill out and turn in a similar ledger for your stocks. This ledger tracks your cash reserves (how much of the initial \$10,000 that you did NOT invest in stocks); the value of your portfolio on any given exchange day (remember, there are only five exchange days); and your buying and selling of stock on the five exchange days.

Note, this is the simplest of ledgers. In this example, the student bought stock initially, then did not buy or sell any additional stock all semester long. He sold at the end of the semester (4/15), and that was his only sale. You may buy and sell as you wish, and in doing so, you will need to add in rows for the new stock. This ledger shows only three stocks.

Also, the ledger is set up to autocalculate in various places. You should adjust the formulas as needed to account for new stocks you add.

Sport-Related Stock

The following are a sample list of possible sport-related stocks.

Adidas AG—Sporting goods provider (footwear, apparel, and equipment) based in Germany; owns Reebok, TaylorMade, Rockport, and CCM Hockey. Symbol (ADDYY) on OTC

Amer Sports—Sporting goods provider (footwear, apparel, and equipment) based in Finland; owns Salomon, Wilson, Precor, Atomic, Suunto, Mavic, Arc'teryx. (AGPDY) on OTC

American Basketball Association—Semi-professional basketball league started in 1999. (ABKB) on OTC

Asics Corporation—Sporting goods provider (footwear and apparel) based in Japan. (ASCCF) on OTC

Callaway Golf—Golf apparel and equipment provider based in Carlsbad, California. (CLY.F) on Frankfurt Exchange

Churchill Downs Incorporated—Provides premier racing, gaming, and entertainment based in Louisville, Kentucky; owns and operates racetracks and simulcast-wagering operation (Churchill Downs, Kentucky; Hollywood Park, California; Hoosier Park, Indiana; Arlington Park, Illinois; Calder Race Course, Florida; Fair Grounds Race Course, Louisiana). (CHDN) on NASDAQ

Dick's Sporting Goods—Sporting goods and fitness retailer based in Pittsburgh, Pennsylvania. (DKS) on NYSE

Dover Downs Entertainment—Gaming and entertainment company that operates the Dover Downs Hotel & Casino and Dover Downs Raceway; located in Delaware. (DDE) on NYSE

Fila Korea LTD (Fila)—Sporting footwear and apparel provider based in Seoul, South Korea. (FILA.MI) on Milan Exchange

Foot Locker—Athletic footwear and apparel retailer based in New York City; runs Foot Locker, Lady Foot Locker, Kids Foot Locker, Footaction USA, Champs Sports, Eastbay, and CCS. (FL) on NYSE

Int'l Speedway—Promoter of motorsports-themed entertainment based in Daytona Beach, Florida; owns and/or operates 13 U.S. premier motorsports entertainment facilities (e.g., Watkins Glen

International, Martinsville Speedway, Talladega Super Speedway, Daytona International Speedway). (ISCA) on NASDAQ

Madison Square Garden Company—Sports, media, and entertainment company based in New York City; a subsidiary of Cablevision; owner and operator of the New York Knicks, New York Rangers, New York Liberty, and Connecticut Whale (AHL); Media: MSG Network, MSG Plus Network, Fuse; Entertainment: Madison Square Garden, Radio City Music Hall, the Beacon Theatre, the Theatre at MSG, the Chicago Theatre, the Wang Theatre, Christmas Spectacular, and the Rockettes. (MSG) on NYSE

Mizuno—Sporting goods provider (footwear, apparel, and equipment) based in Japan; focuses on running, golf, baseball, fast- and slow-pitch softball, and volleyball. (MIZ.F) on Frankfurt Exchange

Nike—Sporting goods provider (footwear, apparel, and equipment) based in Beaverton, Oregon; also owns Cole Haan, Converse Inc., Hurley International LLC, Nike Golf, and Umbro Ltd. (NKE) on NYSE

Puma—Sporting goods provider (footwear, apparel, and equipment) based in Germany; also owns Cobra Golf and Tretorn. (PUM.DE) on XETRA

Speedway Motorsports—Marketer, promoter, and sponsor of motorsports activities in the U.S.; owns and operates eight racing facilities based in Concord, North Carolina (e.g., Atlanta Motor Speedway, Bristol Motor Speedway, Charlotte Motor Speedway, Texas Motor Speedway); also provides souvenir merchandising services and food, beverage, and hospitality catering services through SMI properties subsidiaries; provides radio programming, production, and distribution through its Performance Racing Network subsidiaries; equally owns Motorsports Authentics. (TRK) on NYSE

World Wrestling Entertainment—Professional wrestling corporation based in Stamford, Connecticut; provides live and televised entertainment, consumer products, digital media, and films. (WWE) on NYSE

Tangent to Sports Stock

The following companies are not sport specific, but are close enough that they can also be used.

American Express—Financial services corporation based in New York City; mostly known for its credit cards, charge cards, and traveler's checks. Sponsor of various sporting events (e.g., U.S. Open); sponsor of American Express Community Stadium (soccer) in Falmer, Brighton, East Sussex, England. (AXP) on NYSE

Anheuser-Busch—Leading American brewer based in St. Louis, Missouri; operates 12 breweries across the U.S.; makes brands such as Budweiser, Beck's, Rolling Rock, and Bacardi. Sponsor of various sporting leagues, teams, and events (e.g., MLB, NHL—Bud Light, Daytona 500—Budweiser, Super Bowl, PGA Tour). (BUD) on NYSE

BSkyB (now called Sky)—British Sky Broadcasting Group plc is a satellite broadcasting, broadband, and telephone services company based in London, England; has Sky Sports covering sports throughout the United Kingdom and Europe. Sky (LSE) on the London Exchange

5 From G. Fried, T. DeSchraver, and M. Mondello, 2020, *Sport Finance Web Resource*, 4th ed. (Champaign, IL: Human Kinetics).

Cablevision—Telecommunications and media company that operates digital television, voice and high-speed Internet services, local media and programming, and movie theaters based in Bethpage, New York; owner of the New York Knicks and New York Rangers. (CVC) on the NYSE

Cisco—Designer and seller of consumer electronics; networking, voice, and communications technology; and services based in San Jose California; provides networks for many sports and entertainment venues (e.g., Cowboys Stadium, Yankee Stadium, Meadowlands Stadium). (CSCO) on NASDAQ

Clear Channel—Global media and entertainment company that specializes in mobile and on-demand entertainment and information services based in San Antonio, Texas. (CCO) on NYSE

Coca-Cola—Maker of various beverages based in Atlanta, Georgia; maker of (but not limited to) Coca-Cola, Full Throttle, Odwalla, Sprite, Powerade, and Dasani; major sponsor of the Olympics, NASCAR, PGA Tour, MLS, and various sporting events, stadiums, and arenas. (KO) on NYSE

Comcast—A media, entertainment, and communications company based in Philadelphia, Pennsylvania; majority owner of NBCUniversal; owner of the Philadelphia 76ers and Philadelphia Flyers. (CMCSA)

Daktronics—Designer and manufacturer of electronic scoreboards, programmable display systems, and large-screen video displays using LED technology based in Brookings, South Dakota; also makes integrated sound systems for sports facilities and hoists and rigging systems for theaters and other entertainment and sports facilities. (DAKT) on NASDAQ

Electronic Arts—Interactive entertainment software company based in Redwood City, California; develops, publishes, and distributes interactive software worldwide for videogame systems, personal computers, wireless devices, and the Internet; makes video games such as Madden NFL, Tiger Woods PGA Tour, FIFA Soccer, NHL. (EA) on NASDAQ

Interpublic Group—Advertising and marketing services company based in New York City; provides services to Octagon (leader in sports and entertainment content marketing). (IPG) on NYSE

J.P. Morgan Chase & Co.—Financial institution based in New York City; made up of Chase (a U.S. consumer and commercial bank) and J.P. Morgan (an asset management, investment banking, private banking, treasury and securities services, and commercial banking company); sponsor of the U.S. Open and various other sporting events and venues (Chase Field—home to the Arizona Diamondbacks). (JPM) on NYSE

Eastman Kodak—Producer of imaging and photographic materials and equipment based in Rochester, New York; sponsor of the PGA Tour (Kodak Challenge); was a major sponsor of the Olympics. (KODK) on NYSE

Liberty Media Corporation—Owner of interests in media, communications, and entertainment businesses; sole owner of the Atlanta Braves; large interest in Live Nation and Sirius XM Radio. (FWONA) on NASDAQ

MasterCard—Processes payments between merchants and card-issuing banks or credit unions based in Purchase, New York; sponsor of UEFA European Championships and UEFA Champions League (soccer), PGA Champions Tour, MLB, and New Zealand Rugby Union. (MA) on NYSE

McDonalds—Global fast food provider based in Oak Brook, Illinois; major sponsor of the Olympics, FIFA World Cup, and NHL. (MCD) on NYSE

Nintendo Co Ltd.—Video gaming company based in Japan; owner of the Seattle Mariners. (NTDOY) on OTC

PepsiCo.—Provider of snacks, foods, and beverages based in Purchase, New York; owner of brands such as Pepsi, Frito-Lay, Tropicana, Quaker, and Gatorade; sponsor of various sport leagues, venues, and events (MLB, MLS, NHL, Pepsi Center—Home to Denver Nuggets, Colorado Avalanche, Colorado Mammoth, and Colorado Rapids—U.S. Open, Tostitos Fiesta Bowl). (PEP) on NASDAQ

Proctor and Gamble—Manufacturer of a wide range of consumer goods based in Cincinnati, Ohio; maker of products such as Gillette, Head & Shoulders, Crest, Old Spice, Charmin; major sponsor of the Olympics, NFL, MLB (Gillette and Head & Shoulders), and NASCAR (Gillette and Old Spice). (PG) on NYSE

Progressive—Provider of auto, boat, RV, home, life, and health insurance based in Mayfield Village, Ohio; sponsor of Progressive Field (home of the Cleveland Indians). (PGR) on NYSE

Rogers Communications—Canadian communications company based in Toronto, Ontario, Canada; provides wireless communications, cable, home phone, and Internet; owner of the Toronto Blue Jays and Rogers Centre. (RCI-B.TO) on Toronto Exchange

Time Warner—Global leader in media and entertainment based in New York City; involved in television networks, filmed entertainment, and publishing (Time Inc., Home Box Office, Turner Broadcasting System, and Warner Bros. Entertainment); named sponsor of Time Warner Cable Arena located in Charlotte, North Carolina—home to the Charlotte Bobcats (NBA) and Charlotte Checkers (ECHL). (TWX) on NYSE

Verizon Communications Inc.—Global broadband and telecommunications company based in New York City; sponsors the NFL, NHL, Verizon Center—home of the Washington Wizards, Washington Capitals, Washington Mystics, and Georgetown Hoyas; provides technology for the New Meadowlands (in conjunction with Cisco). (VZA) on NYSE

Visa—Company that connects cardholders, merchants, and financial institutions based in Foster City, California; major sponsor of the Olympics, FIFA, NFL, MLS, and NASCAR. (V) on NYSE

Walt Disney—International family entertainment and media enterprise based in Burbank, California; made up of media networks, parks and resorts, studio entertainment, and consumer products; owns ESPN and the ESPN World Wide of Sports Complex. (DIS) on NYSE

Xerox—Global management company that manufactures and sells a range of color and black-and-white printers, multifunction systems, photo copiers, and digital productions printing presses based in Norwalk, Connecticut; sponsor of the Buffalo Bills, New York Mets, Dubai Tennis Championships, Notre Dame, and the U.S. Open. (XRX) on NYSE

XM Satellite Radio—Satellite radio company based in Washington, D.C.; programming partner with MLB, NHL, PGA Tour, Indy Racing League, NASCAR, *The Sporting News*, and ESPN. (XMSR) on NASDAQ