Name: _____ Date: _____ Class: _____

✏️ **BUILDING BLOCKS STUDENT WORKSHEET**

Comparing stock investments

Understanding capital gains and capital losses can be helpful when you invest in stocks.

When you sell a stock for more than you paid for it, that's called a capital gain. When you sell a stock for less than you paid for it, that's a capital loss. You can calculate your gains or losses in terms of dollar amounts, but it also helps to calculate them as percentages.

REMEMBER
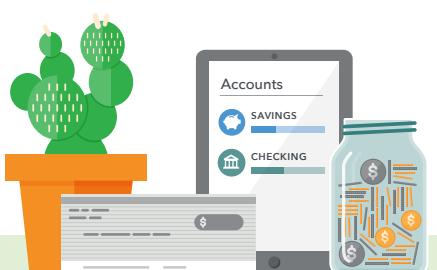
An investment's value can rise and fall over time – you could lose some or all of your money.

Instructions

1 Read the investing scenario.

2 Use information from the Part 1 table to calculate each person's capital gain or loss in dollar amounts and determine who had the biggest capital gain in terms of dollar amounts.

3 Use the formula in Part 2 to calculate each person's capital gain or loss in percentages and determine who had the biggest capital gain in terms of percentages.

4 Answer the reflection question.

Investing scenario

Four friends – Taylor, Jon, Celise, and Abbi – are all crazy about science and technology. They majored in science-related fields in college and then got science or tech jobs after they graduated. Back in high school, they each won the four science prizes (worth $400 each) at graduation and immediately invested their winnings in science stocks. They each sold their stocks 10 years later.

Part 1. Capital gains and losses in dollar amounts

	Total purchase price	Total sale price	Capital gain or capital loss?	How much?
Taylor bought 10 shares of *Computer Maker Inc.* stock for $36.91 each. They sold them for $69.69 each.	$	$		$
Jon bought five shares of *Chemical Producer Co.* stock for $79.81 each. He sold them for $101.29 each.	$	$		$
Celise bought two shares of *Pharmaceuticals Corp.* stock for $188.10 each. She sold them for $352.00 each.	$	$		$
Abbi bought eight shares of *Biotechnology Co.* stock for $45.51 each. She sold them for $43.33 each.	$	$		$

Which friend had the biggest gain in terms of dollar amount? _____

Part 2. Capital gains and losses in percentages

Calculate each friend's capital gain or loss in percentages using this formula and enter the result below.

(Price sold – purchase price) ÷ (purchase price) x 100

Taylor _____ %

Jon   _____ %

Celise _____ %

Abbi   _____ %

Which friend had the biggest percentage gain? _____

Reflection question

How might you explain what capital gains and losses are to someone who has never heard of them? Be sure to include the ways it helps you measure an investment's performance.