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**Chapter 11.3: Buying and selling stocks**

1. **Define the following:**

Stock Exchange: is a market where securities are bought and sold.

Stock Broker: buys and sells securities for customers.

Bull Market: occurs when stock market prices rise steadily over time.

Bear Market occurs when stock market prices decline steadily over time.

**Write the difference between the following:**

|  |  |
| --- | --- |
| **Preferred Stocks** | **Common Stocks** |
| is share of ownership in a corporation giving holders a share of profits (paid before common stockholders) but no voting rights | is share of ownership in a corporation, giving holders voting rights and a share of profits. |

|  |  |
| --- | --- |
| **Capital Gain** | **Dividends** |
| the profit earned on the sale of an asset which has increased in value over the holding period. | is **a payment that a company makes to its investors that is drawn from its paid-in-capital or shareholders' equity**. |

1. **Open DFM Market watch online, you will find the following market watch:**



**Before you start filling the table search then answer the following questions:**

1. What is a stock Index and what does it measure?

\_\_\_\_\_\_\_\_\_\_\_\_it measures the stock market

1. What do high and low price indicates?

The increase and decrease of stocks

1. What is the meaning of Bid and Bid Volume?

**the highest price a buyer will pay to buy a specified number of shares of a stock at any given time**.  And The Bid Volume (BVOL) study **displays the total amount of transactions occurring on the Bid in a given interval**.

1. What is the meaning of offer and offer volume?

\_\_ The bid is the best price somebody will pay for shares (and where you can sell them), and the offer is the best price somebody will sell shares (and where you can buy them). The bid size and offer size **indicate how many aggregate shares are available at each of those prices, respectively**.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Company Name | Company Symbol | Current Price | Price Change | Bid Volume | Bid | Offer | Offer Volume |
| RABIAN SCANDINAVIAN INSURANCE - | **ASCANA** | 0.00 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| AAN DIGITAL SERVICES HOLDING CO | AAN | 0.222 | 0.002 | 100,000 | 0.220 | 0.222 | 99,000 |
| AJMAN BANK PJSC | AJMANBANK | 0.767 | 0.000 | 25,000 | 0.765 | 0.767 | 50,720 |