

Economic Cartoons



Study this cartoon and review the section entitled “The Stock Market” beginning on page 285 before answering the questions below.



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1. (a) How does Charlene know that her stock is “up a few points”? (b) Why is she happy about that? _____

2. **Synthesizing Information** What do investors hope to achieve by “playing” the stock market? _____

3. **Drawing Inferences** How is Charlene’s way of playing the stock market like driving a car without looking under the hood? _____

4. **Analyzing Information** What are the risks of playing the stock market? _____

5. **Evaluating Information** (a) What could Charlene learn from comparing the performance of her stock over time with the performance of the Dow Jones industrial average over time? (b) Are Charlene’s stocks likely to perform better in a bear market or a bull market? _____
