



# FOUNDATION

## Trading The Stock Market Game™ Way

You may trade stocks, bonds, and mutual funds in The Stock Market Game (SMG). Stocks and mutual funds are traded the same way. To trade bonds in the SMG, refer to the SMG handout, *Buying Bonds the SMG Way*. This document only addresses how to make stock or mutual fund trades.

Instructions for making trades are also available in the Help section of the SMG portfolio's [Enter a Trade](#) page.

The screenshot shows the top portion of the 'Enter a Trade' page. It features a blue header bar with the text 'Enter a Trade'. Below this bar, there are three blue buttons arranged horizontally: 'Stock Trade', 'Mutual Fund Trade', and 'Bond Trade'.

### Buy or Sell, Short Sell or Short Cover?

There are four types of stock and mutual fund trades: Buy, Sell, Short Sell, and Short Cover. The latter two refer to a specific situation where an investor borrows stock from a brokerage company and sells it with the intention of buying it back at a lower price. Short Sell and Short Cover work together like Buy and Sell work together. To remove a Short Sell position from your portfolio you must Short Cover.

### Ticker Lookup & Validate Ticker

To find a company's ticker symbol, enter its name and click **Search for Ticker Symbol**. In the pop-up window that appears, click "Organization Name" or "RIC" to view the company's stock quote.

Enter the company's ticker symbol in the appropriate box on the [Enter A Trade](#) page and click **Validate Ticker/Get Details** to confirm it is the company you wish to trade.

The screenshot shows the 'Enter a Stock Trade' form. It has a blue header bar with the text 'Enter a Stock Trade'. Below the header is a blue button labeled 'Blocked Symbols'. Underneath are four radio buttons for 'Buy', 'Sell', 'Short Sell', and 'Short Cover'. There are two links: 'Search for Ticker Symbol' and 'Validate Ticker/Get Details'. Below these is a text input field for the ticker symbol. Further down is a dropdown menu for 'Order Type' currently set to 'Market'. Below that is a text input field for 'Number of Shares'. At the bottom is a text input field for 'Limit Price' with a dashed line indicating a decimal point. At the very bottom are two buttons: 'Clear Values' and 'Preview Trade'.





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## Order Type: Market or Limit?

By default, your **Order Type** selection is *Market*. This means you want your trade executed regardless of the stock's price.

In a Buy order, choosing *Limit* means you want to specify the highest price you are willing to pay for the stock or mutual fund. In a Sell order, it is the lowest price you will accept to sell your stock or mutual fund. Enter your **Limit Price** as a decimal with no dollar sign. *Limit* orders expire at the end of the trading day.

Enter the **Number of Shares** you wish to trade. The minimum number of shares for a buy order is 100. There is no minimum number on sell orders.

## Are you sure you want to do it?

Click **Clear Values** to start over or click **Preview Trade** to confirm and submit your trade. Review your **Trade Order Preview** carefully. Trades cannot be undone. You are charged a broker's fee for each trade you make.

If the information is correct, enter your password and **Confirm Trade**. If it is not correct or if you change your mind, select **Edit Trade** to correct or update your trade.

### Trade Order Preview

**Action** Buy  
**Ticker** IBM  
**Company Name** INTERNATIONAL BUSINESSMACHINES CORP  
**# of Shares** 100  
**Order Type** Market Order  
**Limit Price** -----

Re-enter your password to place this trade.

Your transaction will not be processed until you click **Confirm Trade**. After you have confirmed your trade, a new screen appears with a **Trade Order Confirmation Number** and the option to view **Pending Transactions** or **Enter Another Trade**.



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## Why didn't the trade go through?

Not all trades are entered successfully. Visit your Transaction Notes page to figure out why a trade did not go through. These are some of the most common errors:

**Account Margin Exceeded by: \$** - You did not have enough money for the trade, even if you borrowed the maximum.

**Failed: Could not talk to portfolio system** - System was unavailable for trading. Try again later.

**Invalid Symbol or Price Feed System Down** - If you get this message, you may have entered the ticker symbol incorrectly or part of the system may be down. Check the ticker symbol and re-enter the trade.

**Not enough position for transaction** - You are trying to enter a transaction to sell or short cover more of a security than you currently hold in your portfolio.

**OMS control file error-INVREQ** - The SMG system is down and could not process your order. Please try again later.

**Order Price is Away From Market** - You entered a limit price that was not met.

**Order Rejected** - You attempted to sell a stock that you did not own.

**Order Canceled** - You canceled the trade before the close of market, while it was still in *Pending Transactions*.

**Possible duplicate order** - You have just entered a duplicate order that would put your portfolio in an oversold long or over bought short position. The trade has been rejected.

**Portfolio system unavailable, please try again later** – The SMG system is unavailable for trading. Please try again later

**Symbol is not defined in portfolio system** - You have attempted to place a trade with a ticker symbol that is not in the portfolio database. Ask your teacher to contact your SMG Coordinator about it.

**Security Not Found on Sec Mast Xref File and OSS Sec Mast** - You attempted to trade a stock that was not in the system. Usually this means the stock is not listed on either the NASDAQ or the NYSE Euronext. If you receive this message and are sure the stock is traded, please have your teacher contact your local SMG Coordinator.

**Symbol price is zero** - You have either entered an incorrect ticker symbol or the system price data feed is not pricing the security.

**This is a Possible Error** - You will get this message if a system error occurred during processing. If you get this message, check *Account Holdings* the day after you entered the trade to see if it has been processed. If not, re-enter the trade.

**Trade exceeds maximum percentage for equity** - Your SMG Coordinator has implemented a *Maximum Percent Equity* rule. Please ask your teacher for the maximum amount of equity you are allowed to invest in a single company or fund.