

INVESTMENT RESEARCH AND SAFETY

Reading a Stock Quote and Measuring Return

Detailed practice, calculation, decision-making, and assessment

GRADES 9-12	TIME 2 x 42 min	GROUPING I / pairs / whole	PRODUCT Stock research note
YOUR CHALLENGE Read a fictional stock quote, calculate price movement and total return, and separate useful market data from conclusions the quote cannot support.			

A Quote Is a Snapshot, Not a Recommendation

A stock quote summarizes recent trading information. It can show price, daily range, volume, and other measures. It does not explain the full business, guarantee future performance, or tell an investor whether the stock fits a goal.

Quote item	Student-friendly meaning
Previous close	Final trading price from the prior session.
Open	Price of the first trade in the current session.
Day range	Lowest and highest prices during the session.
Volume	Number of shares traded during the session.
52-week range	Lowest and highest trading prices over roughly one year.
EPS	Earnings per share reported for the stated period.
P/E ratio	Share price divided by earnings per share.
SOURCE CHECK Quotes can be delayed and definitions can vary. Record the source, date, time, and whether the price is real-time or delayed.	

Part 1 - Read the Fictional Quote

Quote item	Value	What it tells me	Question or caution
Ticker	NBIK		
Current price	\$44.80		
Previous close	\$42.50		
Open	\$43.00		
Day range	\$42.80-\$45.20		
Volume	1,250,000 shares		
52-week range	\$31.40-\$47.60		
EPS	\$2.80		
P/E ratio	16.0		

Identify the current price, day high, day low, and one-year high. Which number describes trading activity rather than price?

Part 2 - Calculate Price Movement

Measure	Calculation	Answer
Dollar change from previous close		
Percent change from previous close		
Distance below day high		
Distance below 52-week high		
P/E check using price / EPS		

Use current price - previous close for dollar change. Divide dollar change by previous close for percent change. Round percentages to one decimal place.

Part 3 - Calculate an Investor’s Total Return

Morgan bought 25 fictional NBIK shares at \$40 per share. The shares are now \$44.80. Morgan received \$15 in total dividends.

Measure	Calculation	Answer
Original cost		
Current market value		
Price gain		
Dividend income		
Total gain		
Total return percentage		

Use total gain = current value - original cost + dividends. Total return = total gain / original cost x 100.

Part 4 - Decide What the Quote Cannot Prove

Claim	Supported, unsupported, or needs more research?	Evidence or next source
The stock rose today.		
The company will keep growing.		
The current P/E equals price divided by EPS.		
High volume means the stock is safe.		
The stock fits Morgan’s goal.		

Correct every unsupported claim. Identify one company filing or other reliable source that could provide missing evidence.

Part 5 - Write a Stock Research Note

Research check	My evidence
Quote source and timestamp	
Current price and daily move	
52-week range	
Volume meaning	
Original cost and current value	
Dividend and total return	
Claim the quote cannot support	
Next document to research	

Write a 150-200 word research note. Include the daily percent change, Morgan’s total return, one limitation of the quote, and two next research steps.