RGO CLASS

Words to know

Plain definitions with an example for each. From the RGO Class Help glossary and Learn cards.

Bond

A loan you make to a company or a government. They promise to pay it back with interest.

Example: You lend a city $1,000 through a bond, and it pays you interest each year until it returns the $1,000.

Bull and bear

A bull market mostly rises. A bear market mostly falls.

Example: Bulls hit upward with their horns. Bears swipe downward with their paws.

Candlestick chart

Each candle is one game day. Green means the price ended the day higher than it started. Red means it ended lower. The thin line shows the highest and lowest price that day. Purple arrows mark news days.

Example: A green candle from $40 to $43 with a thin line up to $44 means: it started at $40, ended at $43, and reached $44 at its highest.

Capital gain

Profit from selling for more than you paid.

Example: Buy 10 shares at $20, sell at $25: ($25 minus $20) times 10 = $50 gain.

Compounding

Your growth earns growth.

Example: $1,000 growing 10% twice becomes $1,210, not $1,200.

Diversification

Do not put all your eggs in one basket.

Example: Own companies in different industries so one bad story does not hurt everything.

Dividend

A payment some companies send to their owners. Never guaranteed.

Example: Like a company sharing a little of its profit with everyone who owns a slice.

Dollar cost averaging

Put in the same amount of money on a schedule, like every month, whatever the price is.

Example: You put in $40 every month. At $10 a share that buys 4 shares. At $5 it buys 8. When the price is low, the same money buys more shares. It is a slow, steady way to own more over time, but it cannot stop a loss if the price keeps falling.

Fee

A cost you pay to buy, sell or hold an investment. Fees lower your return.

Example: A 1% yearly fee on $10,000 costs $100 every year.

Index fund

A fund that owns many companies to follow a market index, such as the S&P 500.

Example: One index fund share can give you a tiny piece of 500 companies at once.

Long-term investing and day trading

Long-term investing means buying shares and holding them for years while the company grows. Day trading means buying and selling within hours or days to catch small moves. Day trading is faster and riskier, and studies show most day traders lose money.

Example: Long term: buy 10 shares and keep them for 10 years. Day trading: buy at $50 in the morning and sell at $51 that afternoon.

Most you could lose

What your team would lose if the price fell to your stop. People also call it the amount at risk.

Example: Buy 10 shares at $50 with a stop at $47.50. Each share can drop $2.50 before it sells, so 10 × $2.50 = $25 is at risk. If the price jumps down past your stop, the loss can be a little bigger.

Net worth

Everything your team has: RGO Cash plus the value of the shares.

Example: $600 in RGO Cash plus 4 shares now worth $110 each ($440) makes a net worth of $1,040.

Percent change

How much something went up or down compared with where it started, as a percent.

Example: $50 to $55 is a $5 rise on $50, which is a 10% change.

Portfolio

All the investments one person or team owns.

Example: A portfolio with shares of a shoe company, a bank and an airline.

Position limit (25% rule)

No more than 25% of your team's RGO Cash can be in one company. The trade ticket shows it as Share of your team's RGO Cash. Your teacher can change the limit.

Example: Your team is worth $100,000, so one company can hold up to $25,000. If you already own $20,000 of Nike, you can buy about $5,000 more.

Price

What one share costs right now.

Example: If Nike shows $90.00, one share costs $90. Five shares cost $450.

RGO Cash

RGO Cash is practice money for the game. It is not real money. It is the part your team has not spent yet. You use it to buy shares.

Example: Your team has $1,000 in RGO Cash and buys 4 shares at $100. Now it has $600 in RGO Cash and $400 in shares.

Risk and return

Bigger possible rewards usually come with bigger chances to lose.

Example: Nothing is guaranteed, and last year's winner may not win this year.

ROI (return on investment)

Your gain or loss divided by what you put in, as a percent.

Example: Put in $200 and end with $230: a $30 gain, so ROI is 15%.

Share

One small piece of a company.

Example: Think of a company as a pizza cut into a million slices. One share is one slice. Buy 10 shares and your team owns 10 slices.

Stock

A tiny slice of ownership in a company.

Example: If a pizza shop splits itself into 1,000 slices and you own 1, you own a small piece of the shop.

Stop price

A safety line. If the price falls to it, your team sells on its own.

Example: You buy 10 shares at $100 with a stop at $95. Bad news comes and the price slides to $95. Your team sells all 10 on its own and loses 10 × $5 = $50. Without a stop, a fall to $70 would cost $300.

Supply and demand

A price goes up when more people want to buy than sell, and down when more want to sell than buy. News changes what people expect a company to earn.

Example: It works like concert tickets. When a band gets popular, more people want tickets and the price climbs.

Support and resistance

Support is a price the stock has bounced up from before. Resistance is a price it has had trouble rising above. Open a chart full screen and tap Show support and resistance to see them.

Example: A stock dipped to about $50 three times and bounced each time, so $50 is support. If it falls below $50, sellers may be winning.

Take profit

A target price above what you paid. When the price reaches it, you sell and keep the gain.

Example: You buy at $100 and set a target of $110. At $110 you sell and lock in $10 a share.

Time horizon

When you need the money decides how risky you can be.

Example: Need money for a trip in two months? Pick safety, because prices can fall before the deadline.

Volatility

How wildly a price jumps up and down.

Example: A roller coaster is volatile. A slow train is not.

RGO Class, a Rise Grow Own program. Practice game. Real companies, real news from the past. No real money. Education only, not investment advice.