

Name _____

Understanding Stock Prices: How They're Determined

Short Answer

1. Explain how supply and demand influence stock prices.
2. Describe the bid and ask prices in stock trading and their relationship to the stock's current price.
3. What is market sentiment, and how can it affect stock prices?
4. Provide an example of an economic factor that can influence stock prices.
5. How does market volatility impact stock prices, and what should investors be aware of regarding volatility?

