

Name \_\_\_\_\_

## Understanding Stock Prices: How They're Determined

### Open-Ended Response Questions

1. Discuss the role of company performance in determining stock prices. Why is it important for investors to consider a company's financial health?
2. Imagine you are an investor who wants to buy a stock. Explain the difference between placing a market order and a limit order, including the advantages of each.
3. Explore the relationship between market sentiment and stock prices, providing examples of how positive or negative sentiment can affect a stock's value.
4. Reflect on the challenges and opportunities associated with stock price volatility. How can investors make informed decisions in volatile markets?

