

# THE GREAT CRASH STOCK MARKET GAME



National United States History Standards: Standard 1. The causes of the Great Depression and how it affected American society. (A) The student understands the causes of the crash of 1929 and the Great Depression.

Written by:  
Herschel M. Sarnoff  
David Starr Jordan High School  
Los Angeles Unified School district  
Los Angeles California

Published by:  
H.M.S. Historical Games  
<http://www.multimedialearning.org/games.html>

All Rights reserved, including the right to  
reproduce the game or any parts thereof in any form.

Copyright January 1983  
Revised January 2004  
[hsarnoff@lausd.k12.ca](mailto:hsarnoff@lausd.k12.ca).

GAME TITLE: THE GREAT CRASH STOCK MARKET GAME

- OBJECTIVES:
1. Students will participate in an accurate re-creation of the 1928-1929 Bull Market and 1930-1931 Bear Market.
  2. Students will learn basic information on the operation and terminology of the stock market.
  3. Students will participate in a fun activity while learning historical facts.
  4. Students will gain knowledge on one of the causes of the Great Depression.

INSTRUCTIONS:

1. Duplicate student sheet one in classroom quantities. You will need 3-4 copies of Student Sheet One for each player.
2. Tell the students they will be playing a simulation game on the Great Wall Street Bull Market of 1928-1929 and the Bear Market that followed. They will be taking on the role of investors in that turbulent stock market. The winner of the simulation will be the player with the most money (capital) at the end of the game.

HOW TO PLAY:

1. Pass out Student Sheet One, Investment Portfolio Record Sheet to each player.
2. The game consists of three (or four) years. Each year has 12 months of turns.
3. Players should fill in the proper year on the space provided. (1928-1932). The first year is 1928.
4. Each player starts with \$10,000. Write \$10,000 to the right of the January turn in the Capital I Column.
5. Students have three choices on what to do with their capital (money) in 1928 and four choices after December 1928. The choices are....
  - First : Invest all their money (Capital I) in Industrial Stocks.
  - Second: Invest all their money in Rail Stocks.
  - Third: Invest all their money in Utility Stocks, after December 1928 only.
  - Fourth: Keep all the money in the Capital Preservation Boxes.
6. To invest money in any of the first three choices above, write the total from Capital I into Column A of the Stock type. You must invest all your money into one choice only. For example, if a player wanted to invest his \$10,000 in Industrial Stocks they would write 10,000 in Column A under Industrial Stocks to the right of the current turn. You may not split your money into more than one stock choice.

7. The fourth choice on what a player may do with his money is to place it in the Capital Preservation Track on the Investment Portfolio Record Sheet (IPR). A player who chooses this option will not be affected by the closing prices for the current turn only. To use the Track write the current month and year (1/28, 3/29, etc.) in the first open box moving from left to right. There are ten boxes on the Track. Players may use the Track only ten turns during the entire game (36 or 48 turns). After the player has written a date in the number “1” box, they may not use the Track again. They must invest their money in one of the Stock Choices.

Players who have chosen the Track will start the next turn/month with the same amount of Capital as they had during the current turn. Players may not write a YES in the Special Situation box on the same turn that they are using the Track.

8. After all players have written down their choices on the IPR (student Sheet one) the teacher will tell the class what the profits or losses for the month/turn are. The closing prices/profits and losses are found on the teacher’s closing price list page one through two. Read the + or – for each Stock Choice, Industrial, Rail, Utility.
9. Players must record the profit or losses for their investment in Column B of their Stock Choice. For example, if a student had 10,000 in Column A of Industrial Stocks and the teacher read the profit as +100 the student would write +100 in Column B of Industrial Stocks.
10. Special Situation Column: This represents Hot Stock Tips and events that can influence stock prices. A player wanting to take a chance on Special Situations does so by writing the word YES in Special Situations Column to the right of the proper turn. If a player does not want to try the Special Situations they should write NO in the box. The teacher reads the result. If the result is a number, read the Special Situations explanations under the closing price list for the year. The result will be either + or – money. Write the result in the Special Situations Box next to YES.
11. After the closing prices and special Situations have been done, players compute their profits or losses for the turn/month. To do this, add or subtract the numbers in Column B of the Stock Choice with the number in the Capital I Box. If the player had written YES in the Special Situation Box add or subtract that number with the other two. Write the result in the Capital II Box of the current turn and in the Capital I Box of the next turn/month.  
  
If the result reads HTT one die must be rolled and the HOT TIP Table is consulted. The result of that roll should be written in the same box as above.
12. Repeat the above steps either 36 or 48 times. At the end of the last turn, the student with the most money is declared the winner.

### **EXAMPLE OF PLAY**

1. The December 1928 turn has just been completed. The player starts a new IPR.
2. He writes the year 1929 on the Year line.

3. In the last year, 1928, the player chooses the Capital Preservation Track for three months, 2/28, 5/28, 7/28. On the new IPR the player writes in the three dates, 2/28 on the 10, 5/28 on the 9, and 7/28 on the 8. The player has seven more times that he can choose the Track.
4. Next, the player must write in the Capital he ended the last year with. He writes his Capital from the Capital II Box of Dec. 1928 in the Capital I Box of the Jan. 1929 month.
5. The teacher announces it is time to invest. The player writes his capital, 13,000 (he made 3,000 in the 1928 year), in the Industrial Stock Column A.
6. The player writes YES in the Special Situations Box (he could have written NO).
7. All players have written their investments and the teacher reads the profit and losses from the Closing Price List. Industrial Stocks went up + 1800 for Jan.
8. The teacher announces that the Special Situation for this month is HTT. One die is rolled and the Hot Tip Table is consulted. The number rolled was five, which is a -300. The player writes -300 in the Special Situation Box next to the YES.
9. Now the profit for the month is calculated. The +1,800 is added to 13,000. Next, the -300 is subtracted, the profit for the turn is  $13,000 + 1,800 = 14,800 - 300 = 14,500$ . 14,500 is written both in Capital II of the Jan. Turn and in Capital I of the Feb. Turn.
10. Repeat the above steps either 36 or 48 times.
11. If the player had placed his money in the Capital Preservation Track he would start the next turn/month with \$13,000. He would not have participated in any of the above.

## TEACHERS CLOSING PRICE LIST

YEAR 1928

ADVICE FOR 1928: A. Roger Babson, noted Wall Street Economist: “I predict a drop of 60 to 80 points this year.”

B. Irving Fisher, Yale Professor: “I predict that higher corporate dividends will take the market higher.”

MONTH TURN	INDUSTRIAL STOCKS	RAIL STOCKS	SPECIAL SITUATIONS
1. JAN.	-400	-300	HTT
2. FEB	-400	-300	HTT
3. MARCH	+1900	+700	#1
4. APRIL	-200	+300	HTT
5. MAY	+800	-100	HTT
6. JUNE	-900	-600	HTT
7. JULY	+500	+200	HTT
8. AUG	+2500	+300	#2
9. SEPT	-100	-100	HTT
10. OCT	+1300	-100	HTT
11. NOV.	+4100	+1000	#3
12. DEC	+700	-100	#4

HOT TIP TABLE: (HTT)	
DIE ROLL	RESULT
One	+500
Two	+300
Three	+100
Four	-100
Five	-300
Six	-500

### 1928 SPECIAL SITUATIONS EXPLANATIONS:

- #1. You have invested in Radio Stock (RCA), it makes a big move up, +500.
- #2. You get into a stock pool with Harry Sinclair and Arthur Cutter, +1,000.
- #3. Hoover Bull Market begins, +500.
- #4. Federal Reserves Board issues a negative statement, -400.

YEAR 1929:

ADVICE FOR 1929: C. E. Mitchell, President of National City Bank, said: “There is nothing fundamentally wrong.”

MONTH TURN	INDUSTRIAL STOCKS	RAIL STOCKS	UTILITY STOCKS	SPECIAL SITUATIONS
1. JAN	+1800	+700	+1200	HTT
2. FEB	-10	-300	-200	#1
3. MARCH	-800	-500	-200	HTT
4. APRIL	+1000	+100	+200	HTT
5. MAY	+2200	+200	-100	#2
6. JUNE	+3600	+800	+2200	#3
7. JULY	+1400	+1200	+800	HTT
8. AUG	+3300	+1500	+1400	#4
9. SEPT	-3700	-1500	-100	HTT
10. OCT	-7000	-1400	-4400	#5
11. NOV	-3500	-1400	-1300	HTT
12. DEC	+100	+200	+600	HTT

### SPECIAL SITUATIONS EXPLANATIONS:

- #1. Federal Reserve Board warns against inflation. Market goes down, -200.
- #2. Dow Jones Averages reach a new high then takes a dive, -300.
- #3. Dow Jones Averages reach a new high, +400.
- #4. New York Federal Reserve Bank raises the discount rate from 5% to 6%, -200.
- #5. Federal Reserve cuts discount rate, +200.

## YEAR 1930

Advice for 1930: Herbert Hoover, President of the United States: “I am convinced we have now passed the worst...we shall rapidly recover.”

MONTH TURN	INDUSTRIAL STOCKS	RAIL STOCKS	UTILITY STOCKS	SPECIAL SITUATIONS
1. JAN	+1900	+400	+400	HTT
2. FEB	+400	+400	+800	#1
3. MARCH	+1500	+500	+600	HTT
4. APRIL	-700	+1200	-100	#2
5. MAY	-400	-100	-200	HTT
6. JUNE	-4900	-600	-2000	HTT
7. JULY	+800	+300	+400	HTT
8. AUG	+600	+100	+100	HTT
9. SEPT	-3600	-1000	-1100	HTT
10. OCT	-2200	-1000	-900	HTT
11. NOV	+10	-700	-400	HTT
12. DEC	-1900	-900	-300	HTT

### 1930 SPECIAL SITUATIONS EXPLANATIONS:

- #1. You have invested in Warner Brother's stock, and it makes a big move, +300.
- #2.. Dow makes a big recovery. You earn +200.

## YEAR 1931

Advice for 1931 Herbert Hoover, President of the United States, claims that “recovery is just around the corner.”

MONTH TURN	INDUSTRIAL STOCKS	RAIL STOCKS	UTILITY STOCKS	SPECIAL SITUATIONS
1. JAN	+300	+1200	+200	HTT
2. FEB	+2200	+100	+900	HTT
3. MARCH	-1700	-1300	-400	HTT
4. APRIL	-2100	-900	-700	HTT
5. MAY	-2300	-1600	-800	HTT
6. JUNE	+2200	+1200	+800	#1
7. JULY	-1500	-1100	-500	HTT
8. AUG	+400	-500	+100	HTT
9. SEPT	-4300	-1500	-1900	#2
10. OCT	+900	-100	+300	HTT
11. NOV	-1200	-1100	-300	HTT
12. DEC	-1600	-700	-600	HTT

### 1931 SPECIAL SITUATIONS EXPLANATIONS:

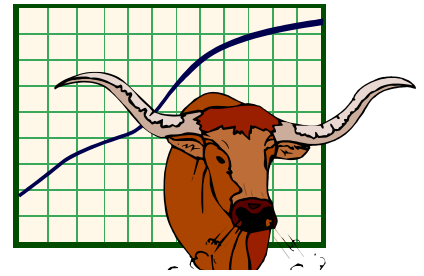
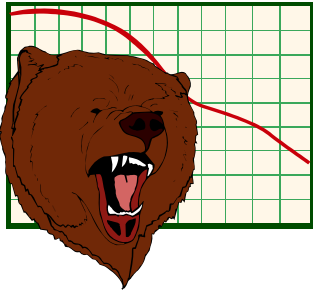
- 1. President Hoover announces a moratorium on intergovernmental debts; the market goes up, +200.
- 2. Great Britain goes off the gold standard. The world's stock markets close temporarily, -200.

HOT TIP TABLE: (HTT)	
DIE ROLL	RESULT
One	+500
Two	+300
Three	+100
Four	-100
Five	-300
Six	-500

## OPTIONAL RULES AND SUGGESTIONS

1. The profits and losses for the game are set up using an initial sum of \$10,000. If desired, students may start with more or less money. To start with \$1,000, drop one Zero from all numbers on the closing lists and HTT Tables. To start with \$100,000, add one Zero. To start with \$1,000,000, add two Zeroes.
2. Each year lists items of advice that were actually given at the beginning of each market year. These may be read to the class before beginning the year.
3. Money can be made in the stock market when prices are going down. This method is called going short. Going short is the opposite of making money when the market is going up. To introduce going short, tell the students that if they believe the market is going down they can make the same profit in declining stock prices as they can when the stock prices are rising. If they want to go short they should write the word “short” along with their capital in Box A of the Stock Column of their choice.

Read the profits and losses normally. If a stock has gone down (i.e.-600) a student who has written “short” in the A Column makes +\$600 and writes +600 in Column B. If the stock price went up, the student that is short loses \$600 and writes -600 in Column B.



INVESTMENT PORTFOLIO  
RECORD SHEET

Year \_\_\_\_\_

10	9	8	7	6	5	4	3	2	1
----	---	---	---	---	---	---	---	---	---

(Capital Preservation Track)

	CAPITAL (I)	INDUSTRIAL STOCKS		RAIL STOCKS		UTILITY STOCKS		SPECIAL SITUATIONS	CAPITAL (II)
		A	B+/-	A	B+/-	A	B+/-		
1. JAN									
2. FEB									
3. MAR									
4. APRIL									
5. MAY									
6. JUNE									
7. JULY									
8. AUG									
9. SEPT									
10. OCT									
11. NOV									
12. DEC									