MY MARKET BOOK

KNOW THE MARKET. AVOID THE MISTAKES.

SIMPLE.
CLEAR.
PRACTICAL.
REAL-WORLD.

My Market Book™

A CLEAR VISUAL GUIDE
TO STOCKS & TRADING MECHANICS

MORE KNOWLEDGE. | MORE CONFIDENCE. | BETTER DECISIONS.



UNDERSTAND
How the market works.

EXPLORE
Stocks, ETFs, bonds and more.

LEARN
Recognize risks and common mistakes.

APPLY
Make more informed decisions.

KNOW THE MARKET. AVOID THE MISTAKES.

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MY MARKET BOOK | START HERE

Your visual guide.

U.S. STOCKS & TRADE MECHANICS

> “Risk comes from not knowing what you’re doing.”
>
> WARREN BUFFETT

Quotation source: click the quote

Understand the market. Connect the decisions.

Start with the first three lessons. You do not need to understand everything today.

Build from your first share to accounts, orders, risk and taxes—one clear idea at a time.



208 pages to explore	20 market chapters	147 visual lessons
98 glossary terms	56 source references	10 learning reviews

Cover artwork uses illustrative values, not current quotations.

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LESSON 001 | CH 01.01

FOUNDATIONS

What is a stock?

A stock represents part ownership in a company. Buying stock makes you a shareholder: one of the business's owners.

CHAPTER GOAL Explain what stock ownership means, how shares trade, and who receives the money.



Tesla: a picture of shared ownership

Imagine Maya buys a Tesla car: she is a customer. Maya buys Tesla stock: she owns a small part of the company. In the picture, the shareholder owns a stake in the whole business, not a particular car or factory. A lender is different again: the company owes the lender money. A share can gain or lose value. Owning it does not promise a profit or a dividend.

KEY IDEA Owning stock does not mean the company promises to return your money.

EXPLAIN + CHECK / REVIEW 01 ON PAGE 16

In one sentence, tell a friend why buying a car differs from buying its maker's shares.

CHECK: A customer buys a product; a shareholder owns part of the business; a lender is owed money under a loan's terms.

SOURCES S01 S51

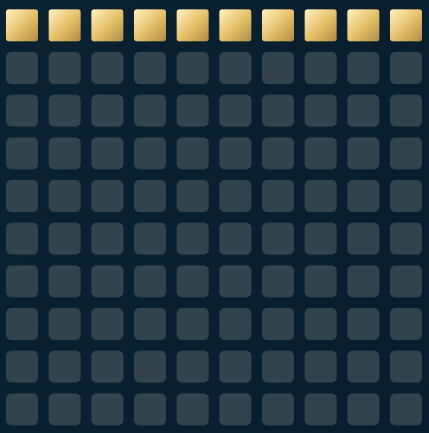
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LESSON 002 | CH 01.02

FOUNDATIONS

What is a share?

A share is one unit of a company’s stock. To understand how much of the company you own, compare your shares with the total number of equal shares.



10%

OWNERSHIP

10 of 100 equal shares

100 equal shares in this example; Maya owns 10 of them

Read the picture as a company divided into 100 equal shares. Maya owns 10 of them, so she owns 10 out of 100: 10%. The other 90 belong to other shareholders. If the company instead had 1,000 equal shares, the same 10 shares would represent only 1%. Ownership percentage depends on both numbers: the shares you own and the total shares in the company.

REMEMBER Ten shares does not always mean ten percent. You also need the total.

EXPLAIN + CHECK / REVIEW 01 ON PAGE 16

Why does your share count need the company’s total to show your ownership fraction?

CHECK: Owned shares divided by all equal shares gives ownership fraction; the count alone does not.

SOURCES S01

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LESSON 003 | CH 01.03

FOUNDATIONS

What is the stock market?

The stock market brings buyers and sellers together. Your broker, such as Robinhood or Schwab, helps you place orders to buy or sell shares.

HOW YOUR BUY REQUEST REACHES THE MARKET



1. INVESTOR	2. BROKER	3. STOCK MARKET
You	Robinhood, Schwab, etc.	Buyers and sellers
You ask to buy shares.	The firm sends your order.	A seller's order may match yours.

An order is your instruction to buy or sell shares.

Start at the left: the investor is you. You enter a buy or sell instruction, called an order, in your broker's app or website. A broker, such as Robinhood or Schwab, sends the order to a place where trading happens. Your buy order can trade if it meets a seller's order under the market's rules. The arrows show the path of your instruction. Sending an order does not guarantee that a trade happens.

KEY IDEA Sending an order does not guarantee a trade. Buying shares does not guarantee a profit.

EXPLAIN + CHECK / REVIEW 01 ON PAGE 16

In your own words, what does a broker do between you and the stock market?

CHECK: You choose what to buy or sell. Your broker handles the order and sends it for trading.

SOURCES S02 S03

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LESSON 004 | CH 01.04 FOUNDATIONS

How does the stock market work?

A trade happens when buying and selling instructions can be matched at an acceptable price and quantity. Most of this work is electronic.



Maya wants to buy 10 shares at $20 each. Leo already owns shares and wants to sell 10 at $20 each. Their prices and quantities can match: Maya pays $200 and receives 10 shares; Leo receives the $200 and gives up those shares. If Leo will only accept $21 and Maya will only pay $20, these two orders do not match. A trade needs a willing buyer and seller at an acceptable price.

WATCH OUT Pressing Buy does not force another person to sell on your chosen terms.

EXPLAIN + CHECK / REVIEW 01 ON PAGE 16

Why can a buyer offering at most $20 fail to trade with a seller asking at least $21?

CHECK: There is no price both accept. Those two orders cannot match unless an instruction changes.

SOURCES S03 S16

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LESSON 005 | CH 01.05 FOUNDATIONS

How do the basic numbers work?

Keep the units visible: shares count ownership, dollars measure value, and a percentage compares an amount with a stated whole.

SAME SHARES. SAME $200 HOLDING. DIFFERENT UNITS.

VALUE	10 shares × $20	**$200**
OWNERSHIP	10 ÷ 1,000 equal shares	**1%**
FEE RATE	0.20% = 0.20 ÷ 100	**0.002**
YEARLY FEE	$200 × 0.002	**$0.40**

Fee illustration assumes an unchanged $200 balance for one year.

Use the same $200 holding to connect the units. Ten shares × $20 each = $200. If those ten shares are out of 1,000 equal company shares, you own 1%. For a 0.20% yearly fee, first divide 0.20 by 100: 0.002. Then $200 × 0.002 = $0.40 for a year on an unchanged balance. Shares count ownership; dollars measure money; a percentage needs a stated whole. Changing the balance changes the fee amount.

COMMON MIX-UP 0.20% is 0.002 as a decimal, not 0.20. The percent sign changes the number's meaning.

CONNECT RECENT LESSONS 001-005 REVIEW ON PAGE 16

Shares count ownership; dollars measure value; percentages compare with a whole.

What determines your ownership percentage?

A. The price of one share **B.** Your shares out of all equal shares **C.** The dollars you paid

CHECK: B: Divide shares you own by all equal company shares.

SOURCES S01 S38

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LESSON 006 | CH 01.06

FOUNDATIONS

Why do companies sell new shares?

A company can sell new shares to raise money for its business. The buyers receive shares, and the company receives their payment.

TESLA SELLS NEW SHARES TO RAISE MONEY

NUMBER OF SHARES		PRICE PER SHARE		TOTAL TESLA RAISED
100,000	×	$200	=	$20 million
New shares sold		Price for one share		Money Tesla receives

100,000 shares × $200 each = $20,000,000

Investors get new shares. Tesla gets money for the business.

Imagine Tesla sells 100,000 new shares for $200 each. Read the three boxes from left to right: how many shares, the price of one share, and the total Tesla raises. Multiply 100,000 by $200 to get $20 million. The buyers become shareholders and Tesla gets money for the business. This is called raising capital: bringing money into the company. Tesla may pay expenses from that total, so it may keep less than $20 million.

KEY IDEA Raising money helps fund the business. It does not guarantee the company will succeed.

EXPLAIN + CHECK / REVIEW 01 ON PAGE 16

After Tesla sells new shares, what does Tesla get, and what do the buyers get?

CHECK: Tesla gets money for the business. The buyers get new shares: part-ownership of Tesla.

SOURCES S01 S51

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LESSON 007 | CH 01.07

FOUNDATIONS

What is a public company?

A public company makes required reports available to public investors. Many public-company shares trade on exchanges, but public and exchange-listed do not mean the same thing.

PRIVATE COMPANY	PUBLIC COMPANY
Ownership is not generally available on a public exchange	Shares may trade through public markets
Information and resale can be more restricted	Investors can examine required public reports
Access depends on the offering and its rules	Broker access still depends on the security and account

A public company makes required information available to public investors. Its shares may trade on a stock exchange, but being public and being listed on an exchange are different things. Private-company shares generally have more restrictions and are not bought as easily in an ordinary trading app. An IPO, or initial public offering, is a company's first public share offering. Required reports help you investigate a business; they are not a government promise that the investment is safe.

WATCH OUT Public does not mean government-owned, risk-free or approved as a good investment. Not all public markets provide the same information.

EXPLAIN + CHECK / REVIEW 01 ON PAGE 16

Why does public reporting help research without proving an investment is good?

CHECK: Reporting supplies evidence to examine. It does not certify business quality, price or future returns.

SOURCES S01 S08

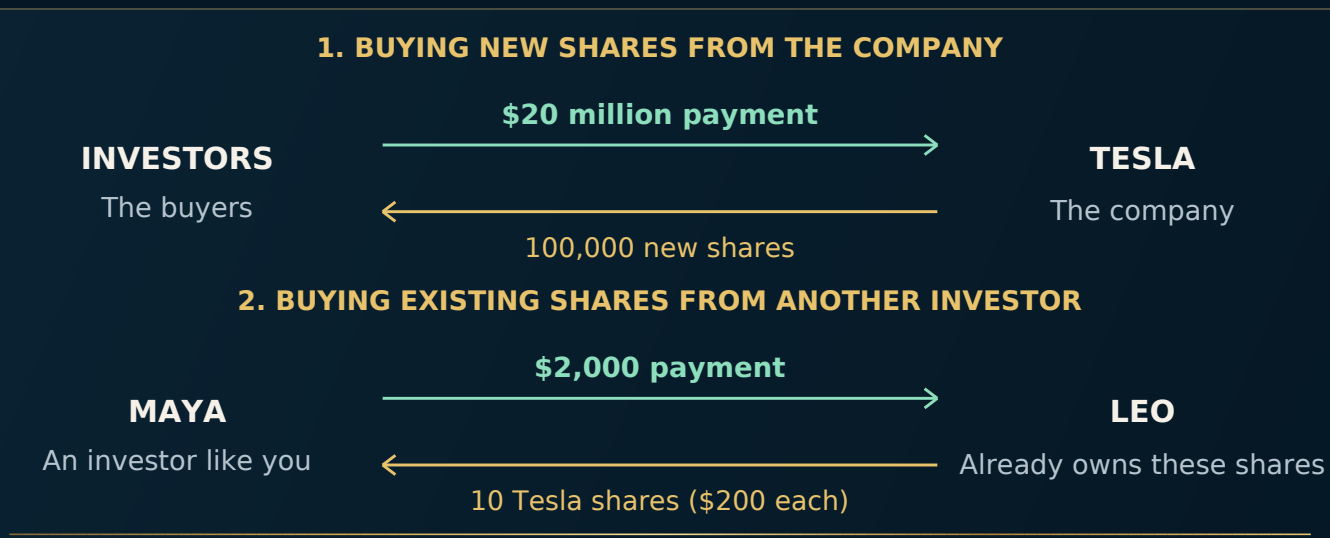
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LESSON 008 | CH 01.08

FOUNDATIONS

Who gets the money when you buy?

Buying new shares from a company and buying existing shares from another investor are different transactions. The seller receives your payment.



Buying Leo’s existing shares pays Leo. Tesla gets none of that payment.

The two rows answer one question: who gets your money? In row 1, investors buy new shares from Tesla, so Tesla receives the payment. In row 2, Leo already owns 10 Tesla shares. Maya, another investor like you, buys those existing shares from him for $2,000. Leo gets her money; Tesla does not. The green arrows show money moving to the seller. The gold arrows show shares moving to the buyer. Most everyday stock-market purchases are purchases of existing shares.

REMEMBER Buying Tesla shares from another owner does not send that purchase money to Tesla.

EXPLAIN + CHECK / REVIEW 01 ON PAGE 16

When Maya buys Leo’s shares, who gets her money? What does Maya get?

CHECK: Leo gets Maya’s $2,000 payment. Maya gets his ten Tesla shares. Tesla gets $0 from their trade.

SOURCES S01 S02 S51

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LESSON 009 | CH 01.09

FOUNDATIONS

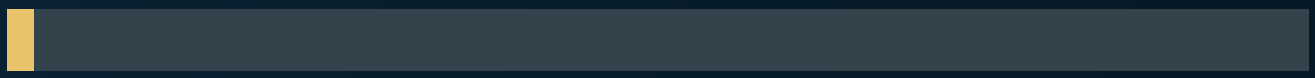
Can you explain stock ownership?

Connect the foundation ideas before moving on: a business issues shares, an investor becomes an owner, and that ownership has both possible rewards and real risks.

OWNERSHIP FRACTION AND MARKET VALUE ARE DIFFERENT

20 / 1,000 = 2% ownership

ALL 1,000 EQUAL SHARES



Gold = your 20 shares; the full bar = all 1,000.

20 shares x $8 = $160 value

A price fall changes value, not this share count or fraction.

Maya owns 20 of the company's 1,000 equal shares: 2%. She paid $10 per share, or $200. If the share price falls to $8, her 20 shares are now worth $160. She still owns 20 shares and 2% of the company. The picture separates ownership from market value: a change in price does not, by itself, change how many shares she owns.

WATCH OUT Keep three separate questions: how many shares, what ownership fraction, and what dollar value?

PAUSE + RECALL / REVIEW 01 ON PAGE 16

The price falls, but no shares are issued or traded. Which ownership numbers stay the same?

CHECK: Your share count and fraction stay the same; their market value changes.

SOURCES S01

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Shares, ownership and the market

FOUR CONNECTION STEPS / CHAPTER 01

A	B	C	D
Explain ownership	Follow the money	Separate units	Trace a trade

FIVE IDEAS TO REMEMBER

01 A share is ownership

A stock is an ownership interest in a company; a share is one unit of that interest.

02 The market connects participants

You send an order through a broker. A trade can happen when a buyer's and seller's orders match under the market's rules.

03 Follow the money

Buying newly issued shares pays the company. Buying existing shares from another investor pays that investor.

04 Separate units from percentages

Your ownership percentage is your shares divided by total shares. The share price is a different number.

05 Separate value from ownership

A price fall can reduce holding value without changing share count or ownership fraction. Company cash and your holding value are different records.

KEEP THIS STRAIGHT

Buying existing company shares from another investor normally pays that investor, not the company.

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MY MARKET BOOK | PUT UNDERSTANDING TO WORK

REVIEW 01

Your five-question check.

Finish all five before checking. Mark A, B or C on paper or with PDF annotations. Explain a choice in ordinary words.

01 **When Maya buys ordinary stock, what does she acquire?**

A A direct claim on a company building
B A lending claim against the company
C An ownership interest in the company

02 **Leo sells Maya 10 existing Tesla shares for an assumed $200 each. Who receives the $2,000, before costs?**

A Tesla, the issuer
B Leo, as the selling shareholder
C The exchange, as the trading venue

03 **Why might a company issue new shares?**

A To raise capital in exchange for new ownership interests
B To distribute existing profits to owners
C To arrange a resale between two owners

04 **When does a stock-market trade happen?**

A A buyer’s and seller’s orders can match
B The company chooses the resale price
C A broker receives a buy request

05 **What can public investors normally examine about a public company?**

A Only its share price, without business reports
B Only comments from people who shop there
C Required reports about the business

ANSWERS + EXPLANATIONS: PAGE 177

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MY MARKET BOOK | CHECK THE REASONING

ANSWERS 01-09

Understand every choice.

One point per correct choice. If you guessed, revisit the lesson and explain it with changed facts. A score is feedback, not permission to risk money.

01 / C

C: Stock is ownership. A: You do not receive a particular building. B: A lending claim is debt.

More detail p. 7 Question p. 17

02 / B

B: Leo receives the resale payment. A: Tesla would receive new-issue proceeds. C: The venue is not the selling owner.

More detail p. 14 Question p. 17

03 / A

A: New shares can raise capital. B: A distribution pays owners. C: A resale pays an existing owner.

More detail p. 12 Question p. 17

04 / A

A: Compatible orders can trade. B: The company does not set each resale price. C: Receiving an order is not execution.

More detail p. 10 Question p. 17

05 / C

C: Required reports provide business information. A: Price is not the only available information. B: Customer comments do not replace reports.

More detail p. 13 Question p. 17

06 / A

A: Price gains and dividends can contribute to return. B: Company sales and cash are not payments to you. C: A split alone changes units, not your investment value.

More detail p. 19 Question p. 34

07 / A

A: Neither fact removes investment risk. B: A low-priced share can become worthless. C: Preferred means certain priority rights, not guaranteed payment.

More detail p. 27 Question p. 34

08 / A

A: Market capitalization uses price times outstanding shares. B: Building value is a different measure. C: Issue proceeds are not total equity market value.

More detail p. 29 Question p. 34

09 / B

B: A request is not proof of a purchase. A: Settlement follows a trade. C: Shares are counted as bought from confirmed fills, not the requested quantity.

More detail p. 26 Question p. 34

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