

# Stock Up On This!

- We hear about the stock market on a daily basis; not necessarily because we want to, but because it has become an integral part of American society.
- The market is the core of economic stability in the United States. Stocks and bonds represent companies which touch aspect of every person's life.

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- The stock market is a general term used to describe all transactions involving the buying and selling of stock shares issued by a company.
- A stock is a share of ownership in the assets and earnings of a company.
- The stock is represented by a piece of paper called the stock certificate.

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- In comparison, a **bond** is a type of debt that a company issues to investors for a specified amount of time.
- Basically, a person who purchases stock wishes to own part of the company, while a person who invests in a bond asks for his money in return at the end of a period along with interest and benefits.

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- The **maturity date** of a bond is the date on which an investor can expect to have their principal repaid along with regular interest.
- The **principal** refers to the original sum of money borrowed in a loan or put into an investment; it can also refer to the *face value* of a bond.

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- In the market, the bond issuer is the borrower, while the bondholder or purchaser is the lender. At the maturity of the bond, bond issuers repay the bondholder the principal value.
- Likewise, the purchaser of a stock, or share of ownership in a company, is traditionally known as a shareholder.