

Before you watch**1 SPEAKING** Work in pairs. Answer the questions.

- 1 Why do people save money?
- 2 Where do you keep money that you save?
- 3 Do you know what this is? What happens here?

**Comprehension check****2** ▶ Watch the DVD clip. Choose the correct answers.

- 1 What happened to the economy in the USA after the First World War?
a It grew. b It got smaller. c It stopped growing.
- 2 What happened to the price of shares in the twenties?
a They fell. b They rose. c They stayed the same.
- 3 What day was Black Monday?
a 28.09.1929 b 28.10.1929 c 28.11.1929

3 ▶ Watch again. Complete the sentences with the correct words or numbers.

- 1 During the 1920s, share prices on the US stock market _____.
- 2 But when share prices _____, people couldn't pay back the money they had borrowed.
- 3 In _____ 1929, the most important stocks started to fall in value.
- 4 On 24 October, people traded _____ shares.
- 5 On the following Tuesday, the stock market lost \$ _____ in value.
- 6 A lot of people lost their _____ and _____.

4 ▶ Watch again. Number the events (A–G) in the order that they happened.

- A ___ The crash caused an economic depression throughout the world.
- B ___ People started selling their shares.
- C ___ The stock market continued to fall, and in two days it lost 25% of its value.
- D ___ The banks lent more money to people to buy more shares.
- E ___ The heads of New York's biggest banks bought a large number of shares.
- F ___ The USA's economy grew quickly.
- G ___ The stock market started to fall in value.

Round up**5 SPEAKING** Work in groups. Answer the question.

Would you invest your money in stocks and shares? Why? / Why not?

Vocabulary

6 RECYCLE Complete the sentences with the correct form of the verbs below.

afford borrow buy lend lose owe pay sell

- 1 If I haven't got any money, I usually _____ some from my parents.
- 2 I can't _____ a new bicycle, so I'm going to repair my old one.
- 3 I _____ Daniel £50 so he could _____ a new phone last week.
- 4 Daniel gave me £20 yesterday, but he still _____ me £30.
- 5 We're going to _____ our house and move to Scotland next year.
- 6 Anna _____ a lot of money when she left her wallet on the train.
- 7 How much did you _____ for your laptop?

7 Complete the text with the words below.

economy profit savings share price shares stock market trades

Buying and selling

Most people keep their ¹ _____ in a bank. But Todd Phillips doesn't. He uses his savings to buy and sell ² _____ on the ³ _____. He buys some shares in a company, and when the ⁴ _____ rises, he sells them and makes a ⁵ _____. Every day he ⁶ _____ lots of different shares. When the ⁷ _____ is growing, he can make a lot of money. But it isn't easy and sometimes he loses a lot.

Extension

8 Work in groups. You have some money and you would like to buy shares in a company. Look at the descriptions of three new companies below. Talk about which company you think will be the most / least successful and why. Then agree on a company that you would like to buy shares in.

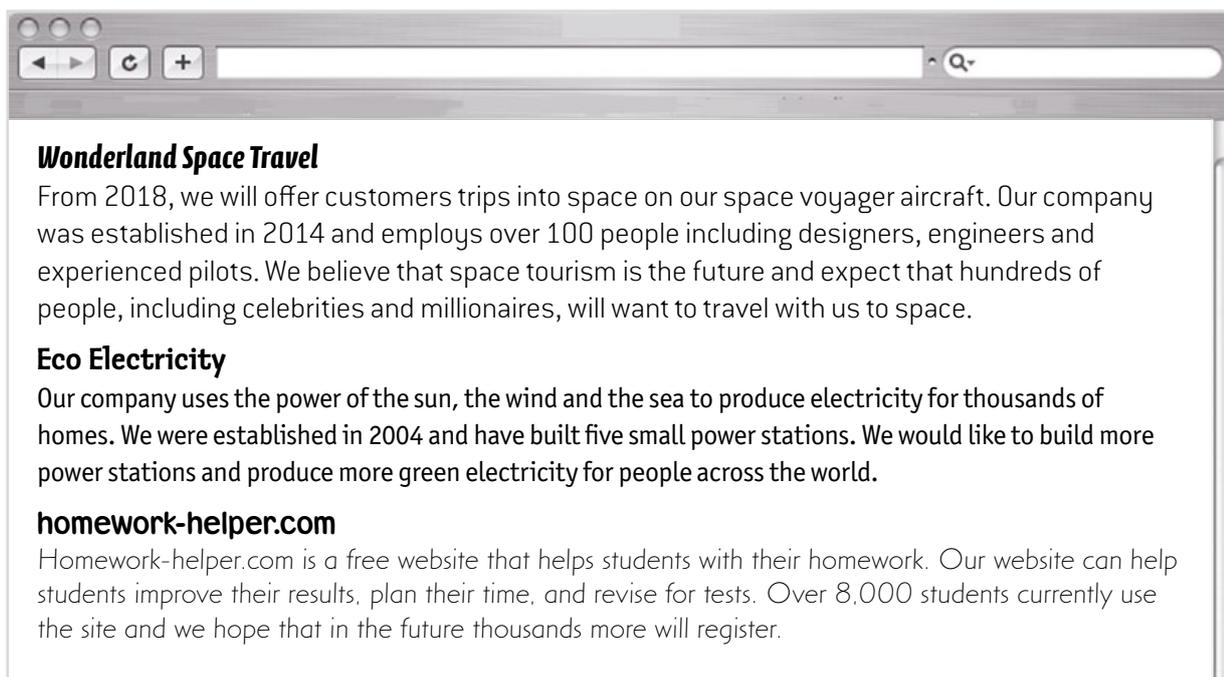
9 Have a class discussion about your ideas. Use the key phrases for making and summing up a choice.

Making a choice

There are a number of reasons why I'm going for / rejecting ...
For one thing, ... First of all, ... Secondly, ...
Thirdly, ... Finally, ...

Summing up your choice

All in all, ... is more appealing to me.
Overall, ... would be best.
So, for these reasons, I'm choosing ...



Wonderland Space Travel
From 2018, we will offer customers trips into space on our space voyager aircraft. Our company was established in 2014 and employs over 100 people including designers, engineers and experienced pilots. We believe that space tourism is the future and expect that hundreds of people, including celebrities and millionaires, will want to travel with us to space.

Eco Electricity
Our company uses the power of the sun, the wind and the sea to produce electricity for thousands of homes. We were established in 2004 and have built five small power stations. We would like to build more power stations and produce more green electricity for people across the world.

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DVD clip summary

The DVD clip is about the events that led to the stock market crash on Wall Street in October 1929.

Background

In the 1920s, the USA's economy grew rapidly and many business people and bankers became extremely rich. As the economy grew, the stock market rose and lots of people began investing in stocks and shares, believing that the value of their investments would only increase. Lots of people borrowed money to do this, and eventually there was more money on loan to people than the entire amount of money in circulation in the USA. As a result of this, the stock market started to fall, and in October 1929 it crashed. Many ordinary Americans lost everything they had, and many more who hadn't invested lost their jobs. The USA and the world entered the Great Depression, which lasted ten years.

Before you watch

Exercise 1

- Read the questions with the class and elicit answers from individual students. Encourage the students to guess the answer to number 3.
- **Answers:**
 - 1, 2 Students' own answers
 - 3 a stock exchange or stock market

Comprehension check

Exercise 2

- **Pre-watching:** Go through the questions with the students.
-  Play the whole DVD clip. The students choose the correct answers. Check their answers.
- **Answers:** 1 a 2 b 3 b

Exercise 3

- **Pre-watching:** Ask the students to read the sentences and try to complete them before they watch the DVD clip again. Ask the students to think about the type of word that goes in each space.
- **Weaker classes:** Play the DVD clip first and pause after each answer.
-  Play the DVD clip to check the answers.
- **Answers:** 1 rose 2 fell 3 October 4 12.9 million 5 14 billion 6 homes; savings

Exercise 4

- **Pre-watching:** Ask the students to try and order the events before they watch the DVD clip again.
- **Weaker classes:** Play the DVD clip first and pause after each answer.
-  Play the DVD clip to check the answers.
- **Answers:** 1 F 2 D 3 G 4 B 5 E 6 C 7 A

Round up

Exercise 5

- Put the students in groups. Give them a few minutes to discuss the question.
- **Answers:** Students' own answers

Vocabulary

Exercise 6

- Ask the students to read through all the sentences first, then choose the correct verbs. Remind them that they might have to change the form of the verbs.
- **Answers:** 1 borrow 2 afford 3 lent; buy 4 owes 5 sell 6 lost 7 pay

Exercise 7

- Ask the students to read through the text first, then complete the sentences. With a **weaker class** you could elicit the meanings of the words first.
- **Answers:** 1 savings 2 shares 3 stock market 4 share price 5 profit 6 trades 7 economy

Extension

Exercises 8 and 9

- **Materials needed:** None
- **Preparation:** Put the students in groups of three. Tell them that they are investors. You could even give them some 'money' to buy the shares with.
- **Language:** On the board, write *tablet* and *laptop*. Ask the students to choose one to buy and say why. Elicit the key phrases for making a choice.
- **Activity:** Ask the students to read the information about the companies and to discuss how successful they think each one will be. Then they must decide which company they want to invest in and why. Give them 5–8 minutes to discuss their options and choose a company before having a whole-class discussion about it.
- **Extension:** Ask each group to invent a company and present it to the class. Everyone then gets to choose which company they would invest in. The company with the most investment wins.

The Wall Street Crash

After the First World War, from 1918 to 1929, the USA's economy grew quickly. On Wall Street, share prices on the American stock market rose, and a lot of people believed this growth would never stop. But this period of prosperity – known as the Roaring Twenties – ended suddenly with the Wall Street Crash.

The problem was that it was too easy for people to borrow money. As share prices rose, the banks lent more and more money so people could buy more and more shares. After all, if share prices continued to rise, they would make a lot of profit. But if they fell, then people wouldn't be able to pay back the money they had borrowed.

Sadly, this is exactly what happened in September 1929 when the Dow Jones Index – a list of 30 of the most important stocks on the stock exchange – started to fall in value. Suddenly, people started selling all of their shares. On Thursday 24th October 1929, people traded 12.9 million shares and the Dow Jones Index fell dramatically.

The next day, the heads of New York's biggest banks decided to act. They bought a large number of shares in important or 'blue chip' companies. At first, they thought the plan had worked, but in reality, it hadn't. People all over the United States were still selling their shares. On Monday – 'Black Monday' – the Dow Jones Index fell by 13%. On Tuesday, the index fell by another 12%. That day, the market lost \$14 billion in value. In November, the market began to recover, but millions of people had already lost everything.

People that had borrowed money couldn't afford to pay it back. Some people – those that owed a lot of money – lost their homes and their savings. A lot of people that hadn't borrowed money lost their jobs, as companies across the United States closed down. The country went into an economic depression that soon spread around the world. It was the longest-lasting depression in the 20th century.