Using the DAX in the Business German Classroom

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The activities are designed as small modules, which therefore can be used as enrichment activities with any Business German textbook. And while there is a logical progression to the exercises, there is no need to use all of them in sequence; instructors should feel free to pick and choose what they wish to use in their individual courses.

IN THE BUSINESS GERMAN CLASSROOM

Before students are introduced to the DAX, it is important to alert them to significant differences between the German and American stock markets. One is the disparity in stock ownership between the two countries. In the United States, stocks are a very popular and common form of investment; as American news media frequently report about international stock markets, most students in a Business German course have at least heard of the DAX. The various classroom activities presented here can be used at the intermediate-mid level to study the DAX and learn about important aspects of the German economy while acquiring and practicing the linguistic skills necessary to talk about stocks. In addition to mastering specialized vocabulary, students also learn about German business practices and important cultural differences between Germany and the US.² The activities are designed as small modules, which in most cases do not require more than ten minutes of class time. They can in most cases be used in sequence. Instructors should feel free to pick and choose what they wish to use in their individual courses.

THE GERMAN STOCK MARKET

1 Some of the companies listed on the DAX are household names, such as adidas, BMW or Volkswagen, and most students are very familiar with the companies and at least some of their products; the nature of other corporations, like E. ON AG, Münchener Rück AG or K+S AG, will most likely puzzle even the instructor. Information—in German and English—about all of the DAX companies is, however, readily available on the Internet; a list of useful Web sites can be found in the appendix.

Global Business Languages (2009)
to ICI and SIFMA, 47% of US households owned stock in 2008 ("Equity and Bond Ownership"). Most Germans, however, are much more conservative with their savings; the most popular forms of investment in Germany are Schatzbriefe, Kommunalobligationen, and Pfandbriefe—the equivalents of treasury bonds, communal bonds, and mortgage-backed securities. The amount of money German households have invested in the old-fashioned Sparbuch (savings account book) by far exceeds the money they have invested in the stock market. According to the Deutsches Aktieninstitut, only 8.8 million Germans own stock, a number that represents roughly 13.5% of the population. Of those, only 3.6 million directly hold shares of individual companies; the other 5.2 million own shares in mutual or mixed funds ("DAI Kurzstudie 1").\(^2\) The second important difference is in the payment of dividends; while US stocks pay a quarterly dividend, German corporations disburse their profits on an annual basis.

THE BEGINNINGS: LETTERS AND NUMBERS

To begin working with stocks in the classroom, it is helpful to introduce students to the DAX and its composition. The German Wikipedia (<http://de.wikipedia.org/>) presents the following table (Table 1), which not only lists all of the companies represented, but also their share in the index, the number of stocks available on the stock market, their market capitalization, and principal share holders. This table can be used almost without preparation for reading comprehension exercises, focusing on numbers. Once students are reminded that Germans use a comma as a decimal point and a period as a thousands separator, they are ready to move on to large numbers; at this point it is crucial to introduce or remind them that Germans use the long scale to express numbers. In the short scale used in the US, one thousand millions are a trillion, whereas in German “eintausend Millionen” are “eine Milliarde.”

\(^2\) The reasons for this important difference in the popularity of stocks as a form of investment are, of course, historical, and instructors may wish to trace briefly the history of German stock market crashes, from the Börsenkraeh of the 1920s to the Investmentfondsskandal of the early 1970s to the short-lived popularity of the Telekom stock—which was marketed very successfully in 1996, rose steadily to a high of over 100€ in February 2000, then fell precipitously in March and has since then hovered around the 15€ mark.
<table>
<thead>
<tr>
<th>Name</th>
<th>Weight in DAX</th>
<th>Shares in Hedgefund</th>
<th>Market Capitalization in Mio. €</th>
<th>Hedgefundholding</th>
<th>Hedgefundholding %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adidas AG</td>
<td>1.25%</td>
<td>193,515,512</td>
<td>4,618</td>
<td>88,83%</td>
<td></td>
</tr>
<tr>
<td>Allianz SE</td>
<td>7.81%</td>
<td>453,050,000</td>
<td>28,991</td>
<td>100,00%</td>
<td></td>
</tr>
<tr>
<td>BASF SE</td>
<td>5.93%</td>
<td>918,478,694</td>
<td>21,999</td>
<td>100,00%</td>
<td></td>
</tr>
<tr>
<td>Bayer AG</td>
<td>7.77%</td>
<td>764,344,530</td>
<td>28,886</td>
<td>100,00%</td>
<td></td>
</tr>
<tr>
<td>Beiersdorf AG</td>
<td>0.68%</td>
<td>252,000,000</td>
<td>2,539</td>
<td>32.35%</td>
<td></td>
</tr>
<tr>
<td>Daimler AG</td>
<td>4.91%</td>
<td>964,557,432</td>
<td>18,229</td>
<td>88.56%</td>
<td></td>
</tr>
<tr>
<td>Deutsche Bank AG</td>
<td>4.29%</td>
<td>620,859,015</td>
<td>15,905</td>
<td>90.52%</td>
<td></td>
</tr>
<tr>
<td>Deutsche Börse AG</td>
<td>2.19%</td>
<td>195,000,000</td>
<td>7,798</td>
<td>100,00%</td>
<td></td>
</tr>
<tr>
<td>Deutsche Lufthansa</td>
<td>0.99%</td>
<td>457,937,572</td>
<td>3,691</td>
<td>100,00%</td>
<td></td>
</tr>
<tr>
<td>Deutsche Post AG</td>
<td>1.71%</td>
<td>1,269,015,874</td>
<td>6,533</td>
<td>69.50%</td>
<td></td>
</tr>
<tr>
<td>Deutsche Telekom AG</td>
<td>7.34%</td>
<td>4,361,319,933</td>
<td>27,226</td>
<td>68.30%</td>
<td></td>
</tr>
<tr>
<td>E.ON AG</td>
<td>10.09%</td>
<td>1,916,028,663</td>
<td>37,112</td>
<td>95.18%</td>
<td></td>
</tr>
<tr>
<td>Fresenius SE (V)</td>
<td>0.68%</td>
<td>80,571,867</td>
<td>2,550</td>
<td>100,00%</td>
<td></td>
</tr>
<tr>
<td>Fresenius Medical Care AG &amp; Co. KORA (SD)</td>
<td>1.32%</td>
<td>293,392,036</td>
<td>4,824</td>
<td>63.73%</td>
<td>Fresenius SE 36.27%</td>
</tr>
</tbody>
</table>

(excerpted from <http://de.wikipedia.org/wiki/DAX>)
Intensive practice is required before students really understand and remember that “Mio. 7.066€” truly are “siebentausendsechsundsechzig Millionen” or “sieben Komma null sechs sechs Milliarden”—and the DAX table provides ample opportunity to practice this. Working with numbers from this table also often piques student questions about the companies represented in the index. Many students notice with surprise that more than one third of all BMW shares are in the possession of the Quandt family or that the Kuwaiti

During this exercise, students inevitably ask about the abbreviations and acronyms they encounter, such as “AG,” “SE,” “St.,” “Vz.,” or “AG & Co. KGaA.” While it is not necessary that Business German students understand the intricate details of German corporate law, they should at least be familiar with the following terms:

- **AG**—die Aktiengesellschaft
- **SE**—Societas Europaea, the European Union equivalent of an AG
- **Vz.**—die Vorzugsaktie (preferred stock)
- **St.**—die Stammaktie (common stock)

Most students have no problems understanding the differences between Vorzugsaktien—stocks without voting rights that receive preferential treatment when it comes to paying dividends—and Stammaktien, which give the owner a vote in the Hauptversammlung. Other terms in Table 1 that may require explanation are:

- **der Streubesitz**—shares that are regularly traded on the stock market (free float)
- **die Marktkapitalisierung**—here, the number of free-float shares multiplied by share value (market capitalization).

3 It is neither necessary nor advisable to enter into a lengthy explanation of AG & Co. KGaA. If students are not satisfied with the explanation that KGaA is an abbreviation for Kommanditgesellschaft auf Aktien, the instructor may explain that a KGaA is a company consisting of Komplementäre—usually the board members—who have full personal liability for the company and Kommanditisten—the stockholders—whose liability is limited to their investment in the company.
USING THE DAX

Using the table of companies listed in the DAX for reading comprehension and to practice numbers and abbreviations does not require much class time—10 minutes will suffice—and should be repeated several times for increased effect.

PERSONAL COMPANIES

To further increase student interest in the DAX, the instructor can assign each student a company. Since certain companies, like BMW or adidas, are more attractive to students than others, the instructor can have students draw lots to choose their companies. Once all students have companies, they are given a Firmenprofil (see Figure 1) and the assignment to find as much information as possible about their individual company on the Web.

At the next class meeting, the instructor should have one or two students model their company profiles to make sure that all students have appropriate language skills to present the information they have found. Then students are given a number of blank company profiles and are asked to exchange their company information with each other. A very effective method for these information exchange exercises is the "speed dating" format. The class is divided into two groups that sit facing each other in two rows, separated by a table. Each pair of students has a limited amount of time, 90 seconds or two minutes, to exchange information with a partner across the table. Students then repeat the information exchange a number of times with varying partners. A very effective method for these information exchange exercises is the "speed dating" format. The class is divided into two groups that sit facing each other in two rows, separated by a table. Each pair of students has a limited amount of time, 90 seconds or two minutes, to exchange information with a partner across the table. Students then repeat the information exchange a number of times with varying partners.

4 I am grateful to my colleague Damon Rarick for showing me this excellent technique.
FIRMENPROFIL

Vorsuchen Sie, so viele der folgenden Informationen wie möglich über eine Ihrer Firmen zu finden. Beginnen Sie auf der Seite http://deutsche-boerse.com/. Klicken Sie zuerst auf „DAX“, dann auf „Details“ und danach auf „Zugehörige Werte.“ Wenn Sie Ihre Firma gefunden haben, klicken Sie auf „Unternehmensdaten.“ Dort finden Sie ein Unternehmensportrait mit vielen Informationen und mit der Adresse für die Homepage Ihrer Firma. Wenn Sie nicht alle Informationen im Kurzportrait finden, gehen Sie zu der Firmenwebseite (Tipp: Suchen Sie nach „Geschäftsbericht“).

Name der Firma:
Hauptsitz:
Gründungsjahr:
Branche/Hauptprodukte:
Beschäftigte (in Deutschland/weltweit):
Aktienkurs von heute:
Dividende pro Aktie (letztes Jahr):
Umsatz (letztes Jahr):
Unternehmensergebnis (letztes Jahr):

Sie müssen in der nächsten Stunde Ihren Klassenkameraden einen kurzen mündlichen Bericht über Ihre Firma geben. Bereiten Sie sich gut darauf vor!

Wichtige Strukturen:
Porsche ist eine Firma der Automobilbranche mit Hauptsitz in Stuttgart.
Porsche wurde 1930 von Ferdinand Porsche gegründet.
Der Kurs der Porsche Aktie lag gestern bei €46,91. Die Porsche Aktie stund gestern auf €46,91.
Die Dividende betrug letztes Jahr €2,70. Porsche zahlte letztes Jahr eine Dividende von €2,70.
Der Umsatz im ersten Halbjahr 2007/08 betrug 3,49 Milliarden Euro.
Porsche machte 2007/08 einen Verlust von ……………

Figure 1. Firmenprofil
Using The DAX

With advanced students, Table 1 can be used as the starting point for more complex open-ended projects, such as creating a company brochure, posting company information on a blog, or giving oral reports. Especially for oral reports, two techniques have proven effective in ensuring active participation of the entire class. A very simple low-tech option is to award extra points to all students who ask questions about the oral report and then answer questions on quizzes using important information from each oral report. A more involved technique requires polling the students before each presentation about the information they would like to have included in the upcoming report. The instructor can then ask the presenter to address the five most requested questions in her or his report—and then add the top three questions to the next quiz. Instructors who like to focus on Wirtschaftsgeographie can also use the Firmenprofil to create additional assignments. Students can, for example, search the Internet to find statistical information about the main location of a company, identify other important companies in the area, or create a Stadtprofil. Depending on the instructor’s preference, the information gathered can then be shared in oral reports, in information exchange exercises, or on blogs.

Once students are assigned a company, they can be given a number of tasks related to the DAX that they have to perform for each subsequent class meeting. The most obvious assignment is related to the value of the stock, and FinanzNachrichten.de <http://www.FinanzNachrichten.de/> is an excellent source for up-to-date stock market information. The homepage provides important financial news, an overview of German stock market indexes, and a list of the day’s five best- and worst-performing stocks on the DAX. Clicking further on “DAX-30” directs students to a complete listing of the current share values for all DAX companies. Adventurous students then can click on the company name or its news column; this takes them to current news articles, both in German and in English, about their company. Few students are able to resist this temptation, and even if they consult only the English language news, they learn much about the German economy (see Figure 2). Students can either track their share values on paper, using a form similar to Figure 2, or keep them in a spreadsheet format. For example, students can either call on students to report briefly about the performance of their
stocks or set up an information exchange exercise in the speed dating format. Students can also combine the stock market news and the information they had previously collected for their Firmenprofil and determine the dividend yield, die Dividendenrendite, for their stock (see Figure 2).\(^5\)

\(^5\) The price/earnings ratios, das Kurs-Gewinn Verhältnis, is a more widely used indicator of the potential value of a stock. While the formula for the KGV is relatively simple (Gewinn je Aktie divided by Kurswert), most students are hard pressed to find the information needed to determine the Gewinn je Aktie (Konzernjahresüberschuss divided by Anzahl der Aktien). Even students who can find the Konzernjahresüberschuss will most likely use the Anzahl der Aktien im Streubesitz from Table 1, instead of the total number of shares issued by a company—and will thus arrive at an incorrect result for the Kurs-Gewinn Verhältnis.
Once the students have gained some familiarity with the DAX and have exchanged information about their companies and their share values repeatedly, a stock market simulation can be used very effectively to further increase their interest in, and knowledge of, the stock market. In order to participate in a miniature Börsenspiel, each student is given a certain amount of money to invest in the DAX companies of her or his choice. The instructor can either give each student the amount in European currency—100,000 €, for example—or in US dollars that they then must exchange for Euros. If students have to exchange currencies, they can easily find the current exchange rates at Web sites like x-rates.com (<http://www.x-rates.com/>) or oanda.com (<http://www.oanda.com/convert/classic>). To add more realism to their currency exchange, they should have to deduct customary bank pay fees for the currency exchange and for the money transfer to their German bank (see Figure 3).
After students have simulated an investment capital deposit in their German bank, the instructor should explain briefly the role of a Makler, the registered stock broker who purchases shares on the stock market for customers, and the customary fees and taxes incurred in stock transactions: die Maklergebühr, die Provision, and die Börsenumsatzsteuer. Furthermore, the instructor should alert the students to the difference between market and limit orders; market orders—bestens or billigst, in German—are executed at the current rate of a particular stock—no matter how high or low. Limited purchase orders, however, can only be executed up to a certain price specified by the customer; limited sales orders can only be carried out if a minimum price can be obtained. Figure 4 gives an overview of these terms and the customary fees in purchases or sales of shares.
Once students are familiar with these terms, they have the opportunity to invest their capital in stocks on the DAX or, if they choose to behave like many Germans, in a much more conservative Sparbuch with a guaranteed interest rate of 0.50%. While the instructor may encourage students to diversify and invest in a variety of stocks, each student must decide how she or he will invest. As an assignment for the following class, each student prepares a written purchase order either at market or limited order. Before the next class, students are familiar with the terms.
class meeting, the instructor prints the current stock prices from FinanzNachrichten.de; during class he or she acts as Makler, helping students execute their stock purchases if the market allows. Purchase orders for BASF shares limitiert 28,70, for example, cannot be carried out if the current share price is 28,90€. Once students have purchased all of their stocks, they deposit the remaining capital in their Sparbücher. In order to have accurate financial reckoning at the end of the semester, it is crucial that the instructor insist on exact recordkeeping; students can use the format shown in Figure 4 to determine and record their total purchase costs. In addition, they must keep track of their capital, subtracting their purchases from the beginning balance and depositing remaining funds in their Sparbuch. Most students have no problems creating a spreadsheet that performs all these functions, and they may even offer to create such spreadsheets for their more technologically challenged classmates or their instructor.

EXEMPLARY
A few examples may be helpful at this point to clarify the investment process. On Thursday, April 9, 2009, all students in Business German exchanged $100,000 at an exchange rate of 0.753409; using the fees from Figure 3 ($35), the instructor credited their German bank accounts with 75.314.57€ ($99,965 · 0.753409). For Tuesday, April 14, three students prepared the following purchase orders:

Before Tuesday’s class meeting, the instructor consulted FinanzNachrichten.de and found the following prices for these shares:

Figure 5. Kaufaufträge

Figure 6. Tageskurse 14.04.2009
Based on these prices, only student C could carry out all of her purchase orders. Because he placed limit orders, student A cannot buy his Bayer and Volkswagen shares, whereas student B was unable to purchase Volkswagen and BMW shares. Using the form shown in Figure 4, all three students determined the cost of their purchases (including Grundgebühr, Provision, Maklergebühr, Börsenumsatzsteuer, and if applicable, Limitgebühr); Figure 7 shows what student C’s form should look like.

**Figure 7. Kaufkosten Student C**

Having made their purchases, determined their costs, and subtracted them from their beginning balance, students deposited their remaining funds in their Sparbücher. Student C has spent 73,648.80 € on her stock purchases and deposited 1,747.22 € in her savings account. The students who were unable to carry out all of their purchase orders had significantly larger balances—59,038.65 € for student A and 59,240.63 € for student B. They could prepare new purchase orders for the following class meeting or invest the money in their savings accounts.

During the next class meeting on April 16, the instructor again announced the current stock prices from FinanzNachrichten.de (see Figure 8):

**Figure 8. Tageskurse 16.04.2009**

First the students who had prepared purchase orders bought their shares if the market permitted. Then all students began to evaluate their personal stock
should be reserved for these stock market transactions and, more importantly, wanted to change their investment strategy, carried out the purchase and sales orders they had prepared previously. In general, a small portion of class time should be reserved for these stock market transactions and, more importantly, for information exchanges between the students about the performance of their portfolios, the current prices of their shares, and important financial news they may have read. At this point, students should be encouraged to include causal connections in their information exchanges, such as “Mein Aktiendepot hat 2.000 € an Wert verloren, weil meine BASF Aktien von 24,75 € auf 22,90 € gefallen sind.” Students can also begin to exchange investment tips, like “Die BMW Aktien sind letzte Woche um 7,4% gestiegen. Vielleicht solltest Du hier investieren,” or they can report on their successful or failed strategies: “Ich wollte heute 200 Daimler Aktien zu 24,20 € kaufen, aber der Kurs lag bei 25,86 €.” In these conversations, some students can become very competitive about their DAX investments; they excitedly share their success stories, but are less eager to talk about stocks that have declined in value.

Although investing in the DAX is only a playful simulation, it is very important to impress upon all students that orders to buy or sell shares are legally binding contracts that should be prepared with caution. Students should make sure that they have a sufficient balance for their orders in their Sparbuch to meet their obligations; if they fail to do so, they must sell an subsequent class meetings, students re-evaluated their portfolios as if they were real. At this point, students should be encouraged to include causal connections in their information exchanges, such as “Mein Aktiendepot hat 2.000 € an Wert verloren, weil meine BASF Aktien von 24,75 € auf 22,90 € gefallen sind.” Students can also begin to exchange investment tips, like “Die BMW Aktien sind letzte Woche um 7,4% gestiegen. Vielleicht solltest Du hier investieren,” or they can report on their successful or failed strategies: “Ich wollte heute 200 Daimler Aktien zu 24,20 € kaufen, aber der Kurs lag bei 25,86 €.” In these conversations, some students can become very competitive about their DAX investments; they excitedly share their success stories, but are less eager to talk about stocks that have declined in value.

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It may seem unimportant to ask the students to calculate the interest earned on their 
Fonds, yet doing so makes an amount of realism to the 
lesson. Using the DAX

appropriate number of other shares at market prices to cover their purchase orders. A student, for example, who prepares a sales order for 2,000 shares of BMW limitiert 27.25€ to cover a purchase of 2,200 Daimler shares limitiert 25€ may face a dilemma if at the next class meeting the BMW price has fallen from 27,50€ to 25,10€. Unless he has enough money in his savings account to pay for the Daimler shares—55,744,25€ after expenses—he not only has to sell his BMW shares at market for a net of 51,549,95€, but also some of his other shares to cover the difference of 4,194,30€.

**THE FINAL RECKONING**

The instructor should reserve the last week of classes for the final evaluation of the students’ investments in the DAX. They need one full class period to sell all of their investments, exchange the proceeds for US$, and transfer them back to the US. Before the penultimate class meeting, students prepare sales orders for all of their stocks—all of them limitiert because they have to sell all of their investments, exchange the proceeds for US$, and transfer them back to the US. The instructor should reserve the last week of classes for the final evaluation of the students’ investments in the DAX. They need one full class period to sell all of their investments, exchange the proceeds for US$, and transfer them back to the US.

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**Figure 10. Verkaufserlöse Student C 9.6.09**

In addition to her total sales revenues of 73,181,59€, student C also received the money she had in her savings account—1,748,55€ in interest accrued for the 55 days between April 14 and June 9. Assuming a bank account, leaving her with a nice net profit of $2,115.80.

**USING THE DAX**

It may seem unimportant to ask the students to calculate the interest earned on their Sparbuch, yet doing so adds an amount of realism to the

![Diagram](image-url)
simulation that is well worth the effort. Challenging the class to learn how to compute accrued interest often brings unexpected results: students with business backgrounds or good computer skills have no problem figuring out the interest, using the financial formulas built into their programs; and they may eagerly volunteer to share their expertise with their classmates. If such support is not available, the instructor can either teach the Business German students how to calculate interest (see Figure 11), ask a colleague in the College of Business for help, or simply forego the added realism created by interest calculations.

Figure 11. Zinsrechnung

<table>
<thead>
<tr>
<th>Zeitraum</th>
<th>Tage</th>
<th>Guthaben</th>
<th>Zinsen</th>
</tr>
</thead>
<tbody>
<tr>
<td>14.4.–27.4.</td>
<td>13</td>
<td>2.470,00 €</td>
<td>2,23 €</td>
</tr>
<tr>
<td>28.4.–17.5.</td>
<td>19</td>
<td>1.756,50 €</td>
<td>2,33 €</td>
</tr>
<tr>
<td>18.5.–6.9.</td>
<td>18</td>
<td>997,20 €</td>
<td>1,23 €</td>
</tr>
<tr>
<td>Gesamtzinsen</td>
<td></td>
<td></td>
<td>5,78 €</td>
</tr>
</tbody>
</table>

Interessens berechnung:

<table>
<thead>
<tr>
<th>Zeitraum</th>
<th>Guthaben</th>
<th>Zinsen</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1. – 1.4. = 3 Monate = 90 Tage</td>
<td>1.500,00 €</td>
<td>2,51 €</td>
</tr>
<tr>
<td>1.4. – 23.4. = 23 Tage</td>
<td>100 – 360</td>
<td>11,77 €</td>
</tr>
</tbody>
</table>

Wenn Sie vom 14.4. bis zum 27.4 ein Guthaben von 2.470,00 € hatten, vom 28.4. bis zum 17.5. ein Guthaben von 1.756,50 € und vom 18.5. bis zum 9.6. ein Guthaben von 997,20 €, können Sie die folgende Tabelle benutzen. Verwenden Sie die gleiche Zinsformel wie in Beispiel 1.

<table>
<thead>
<tr>
<th>Zeitraum</th>
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<tr>
<td>Gesamtzinsen</td>
<td></td>
<td>5,78 €</td>
</tr>
</tbody>
</table>
their own DAX companies and invested in their stocks. They follow the stock
market of German companies and invest in their stocks. Once they have chosen
the stocks they own, they invest in the companies. In order to determine the rate of return on their investments, they follow the performance in German companies and invest in their stocks. Often, they chose a number of stocks for investing in German companies. Usually, they chose a maximum of three stocks. When investing in the stock market, they follow the stock market performance of the companies. Companies that perform well are often followed by investors. The DAX is expressed in a percentage, and is the main index for determining the performance of the German economy. The DAX is the most important stock market index in Germany. It is calculated based on the value of the 30 largest companies listed on the Frankfurt Stock Exchange. Many instructors are satisfied if students can correctly determine the profits or losses they have incurred in their investments. A very useful additional
exercise, however, is to determine the rate of return on investment, die Effek-
tivverzinsung. Usually expressed as a percentage, the effective yield gives the
annualized rate of return, i.e., the profit from an investment that is multiplied
divided by the investment period to arrive at an annual rate. The $2,115.80
profit student C has made with her investment of $100,000, for example,
represents an annualized return on investment of almost 14.08%, a very im-
pressive number given the current economic situation (see Figure 12). This
success in her investment strategy almost guarantees that Ms. C is a proud
and active participant in the final class meeting. During the last class of the
semester, students discuss their successes or failures, exchange their returns
on investment, and determine together which of the 30 stocks listed on the
DAX showed the best performance over the semester of Business German.
This final conversation gives them an opportunity not only to review all of
the stock market information they studied throughout the semester, but also
to celebrate the progress they have made in their language skills.

THE RATE OF RETURN

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CONCLUSION

The exercises and activities presented here are a shortened and somewhat
simplified version of a stock market simulation that was tested twice with
fourth- and fifth-semester students at the intermediate-mid level in a one-credit
mini-course in Business German offered at the Deutsche Sommerschule am
Atlantik. Exposing students to the DAX and having them participate in this
simulation offers a number of benefits. Involving them on a personal level
in German companies and having them monitor a company’s performance
on the stock market is a great motivator for students. Once they have chosen
their own DAX companies and invested in their stocks, they follow the stock
market with great enthusiasm. Most students try to learn more about the companies and are often eager to share their newly acquired knowledge with their classmates. They gain valuable insights into important German corporations, an improved understanding of the stock market, and, most importantly, because of their personal involvement, they truly make this knowledge their own. The competitive nature of many American undergraduates and the pride they take in their accomplishments ensure that class activities and information exchanges are lively and engaging. Having students repeat these exercises several times guarantees that they really acquire a good grasp of important stock market vocabulary. Exercises that require students to perform correct financial calculations, keep accurate records of transactions, and actually use business terms rather than just memorizing them expose them to important aspects of genuine German business culture. Some students are so motivated by the simulation that they want to learn more about business practices in Germany and the US—and that knowledge, combined with their improved language skills, forms a very valuable asset once they begin their search for employment.

APPENDIX I
HELPFUL WEB SITES

<http://deutsche-boerse.com/>
Homepage of the Deutsche Börse; to obtain detailed information about the DAX, first click on “DAX” on the menu bar, then click on “Details”; selecting “Zugehörige Werte” takes you to a list of all of the companies represented in the DAX; all companies are linked to performance data of their stocks and to “Unternehmensdaten”—a short company profile created by the Deutsche Börse, which also links to the company homepage. The “Stichwortsuche” feature of this Web site provides easy access to definitions of almost all stock market terms.

<http://de.wikipedia.org/>
The German Wikipedia homepage provides fast and easy access to information on almost any topic available; good starting points for stock market information are the entries “DAX,” “Aktien,” and “Börse”; Wikipedia is also a good source of information about individual companies or cities.
The homepage of *FinanzNachrichte.de* provides up-to-date financial news and share prices; a very useful tool is the “news” feature on the sub-page <http://www.aktienkurse-index/DAX-30.asp> that links all of the DAX companies to news articles in German or English published in the previous seven days.

These two Web sites provide current currency exchange rates, as well as past rates.

**WORKS CITED**

