1. **The primary market** is stocks, shares, and bonds sold directly from the company.
2. **The secondary market** refers to stocks traded by investors, profit goes to the seller instead of the company.
3. **A share** is a piece of the company a person owns.
4. **A stock** is a collective term for all of the shares a person owns.
5. **Micro cap stocks** are stocks sold by very small companies.
6. **Small cap stocks** are slightly larger companies with a market cap between 300 million and 2 billion.
7. **The Dow Jones** Industrial Average (DJIA) is an average of 30 of the largest industries’ stock prices which determines the health of the market.
8. **Bull market** is a rising market or one expected to rise. This means the economy is good.
9. **A bear market** occurs when the Dow and S&P drop below a certain percent which means that the economy is weak.
10. **Insider trading** is illegal when a company employee makes a trade using private knowledge that can affect the company's stock price.
11. **A mutual plan** or fund is when several people pool their money together to invest; it’s usually handled by a manager in the hope of gaining profit.
12. **A block trade** is when an individual purchases a large amount of shares from another person outside of the open markets.
13. **A defensive stock** is so named because its value doesn't fluctuate much. So a good example of defensive stock would be utility stocks.
14. **NASDAQ** has been electronic (meaning, no trading floor) ever since its inception in 1971.
15. **Absolute Price** is the absolute numerical value of anything
16. **Relative Price** is the value of anything in relation to the value of all other things
17. **Law of Demand** states that, other things being equal, the lower the price the greater the quantity demanded. The higher the price, the lower the quantity demanded.
18. **Law of Supply** states that the higher the price, the greater the quantity supplied. The lower the price, the lower the quantity supplied.
19. **Supply** is the relationship between possible prices of any commodity or service and the amount or quantity that producers are willing to supply at those prices.
20. **Elasticity refers to the practice of** cutting the price to sell a lot more and increase revenue.
21. **Loss leaders** are items that you might lose money on