Chapter 1 Dollars and Sense: Your Financial News Update

This activity will help you stay current on financial issues related to this chapter. You can use the Internet or any print media (newspapers, magazines, and so on) to answer the questions. After you have completed your research and answered the questions, print out a copy of the materials you used and highlight the important points.

At the end of the first decade of the 21st century, two major auto industry corporations, General Motors and Chrysler were struggling to keep out of bankruptcy. The Federal government bailed them out with billions in loans. Use the Associated Press (AP) website (www.ap.org) to answer the questions below about developments since the bailouts were instituted. The AP home page contains a search engine that allows you to find both archived and recent information.

1. Go to www.finance.yahoo.com and look for the historical stock prices of General Motors (GM) at the beginning of 2007, 2008, 2009, and 2010. In addition, find the most recent closing price of GM. How did the stock prices change from 2007 to the present?

2. Go to the Associated Press home page (www.ap.org) and research the amount that the Federal government loaned General Motors in the bailout deal.

3. To date, has GM repaid the government? If so, when did that happen? If not, how much is still owed to the government in order to repay the loan?

4. Use the AP search engine drop down menu to conduct a 7-day search for the most recent financial information about General Motors. Write a short paragraph explaining their current fiscal status.