

WALL STREET CRASH COURSEWORK ASSIGNMENTS

GCSE HISTORY COURSEWORK ASSIGNMENTS

Teacher Information

Introduction:

These assignments comprise sources, questions and mark schemes which will enable your pupils to fulfil the coursework requirements in history for Edexcel Foundation specifications for first examination in summer 2003. You may use these assignments as they stand. They have been designed to assess the full range of grades targeted by the syllabus (Grades G-A*). Assistance may be given in class to aid the comprehension of the sources.

You may also adapt these assignments if wished by:

- providing additional or replacement sources
- providing additional or replacement questions.

However, if you wish to make changes you should submit these to the Edexcel Foundation for approval to ensure that revised sources or questions give candidates appropriate opportunity to meet the targets specified at the appropriate level.

Management of the assignment:

The assignment has been designed to accommodate some flexibility of classroom practice. The following points should be borne in mind:

- Although all the questions *may* be tackled as part of a single task, this is not necessary. The timing of individual questions within an assignment may be staggered over a period of time and integrated into the programme of study.
- Candidates may use the sources provided in the pack as part of their preparation for Assignment 1 but this is not a requirement.
- Your candidates should draw upon their contextual knowledge when using the sources for Assignment 2. The historical content listed below should be familiar to candidates before they attempt to answer the questions.

The Wall Street Crash

This assignment should arise from a teaching programme designed to occupy approximately half a term. Before candidates begin this assignment they should have knowledge of:

- The Roaring Twenties
- Causes and consequences of the Wall Street Crash
- Government reaction and attempts at recovery, 1929-1933.

Introduction

On 24 October 1929 and then again on 29 October 1929 share prices on the New York Stock Exchange collapsed. To many people this came as a great shock. Very few people had expected anything like it.

For seven years share prices had risen steadily and more and more people had invested money as a result. Many people had come to see the Stock Market as a safe and easy way of making money. In October 1929 their hopes and dreams were dashed.

In this assignment you will be required to investigate the reasons for the impact of the Wall Street Crash, as it came to be known. Why did the 'Boom' of the 1920s come to such an abrupt end? Why did so few people expect it? Was there anything that could have been done to prevent it? What were its results?

SOURCE A: From an article written by Will Payne in 1929; he had made a fortune by investing on the Stock Market.

It has become so easy to make money on the Stock Market, that it has ceased to become a gamble. A gambler wins only because somebody else loses, but when you invest in stocks and shares everyone wins.

SOURCE B: Prices in \$ of some shares on the Wall Street Stock Exchange

	March 3 1928	September 3 1929
Radio	82	505
General Electric	126	391
American Telephone and Telegraph	175	330
New York Central	160	249
General Motors	138	169
American Can	74	179
Anaconda Copper	53	153

SOURCE C: From the book *'The Great Crash 1929'*, written by J K Galbraith and published in 1954

In Florida land was divided up into building lots and sold for a ten per cent down payment. The buyers did not expect to live on the land; it was not easy to suppose that anyone ever would. The reality was that it was gaining in value by the day and could be sold for a handsome profit in a fortnight.

SOURCE D: From the book, *'The Bright Twenties'*, written in 1938; the writer was British, but was living in the USA in 1929

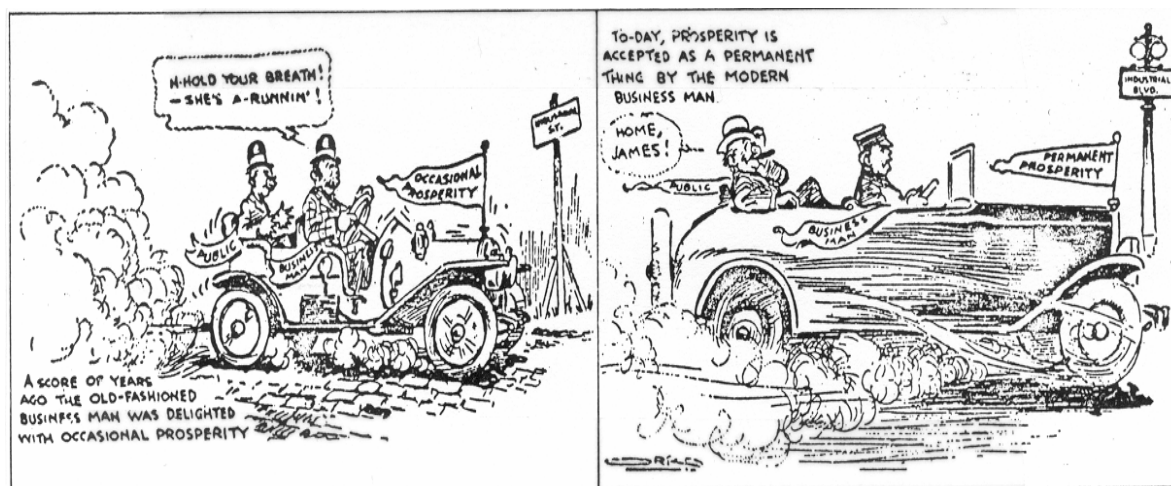
Everyone gave you tips. Everyone was playing the market. Stocks soared dizzily. I found it hard not to get involved. I had invested my American earnings in good stocks. Should I sell for a profit? Everyone said, "Hang on – it's a rising market".

On my last day in New York I went to the barber. As he removed the sheet he softly said: "Buy Standard Gas, I've doubled. It's good for another double." As I walked upstairs, I reflected that if hysteria had reached the barber, something must soon happen.

SOURCE E: From the article *'Everyone ought to be rich'* written by an American businessman John Raskob and published in the USA in 1929. Raskob was the campaign manager for Alfred E Smith, the defeated Democratic presidential candidate in 1928.

In my opinion the wealth of the country is bound to increase at a very rapid rate. Anyone who believes that opportunities are now closed and that from now on the country will get worse rather than better is welcome to that opinion. I think we have scarcely started. I am firm in the belief that everyone not only can be rich but ought to be rich. Prosperity is in the nature of an endless chain and we can break it only by refusing to see what it is.

SOURCE F: A cartoon published in a US newspaper in the late 1920s



SOURCE G: A photograph taken in New York in October 1929



SOURCE H: From an interview with a man who was alive in 1929. This was published in the 1970s.

I knew something was terribly wrong because I heard everybody talking about the stock market. About six weeks before the crash, I persuaded my mother to let me talk to our family adviser. I wanted to sell stock which had been left to me by my father. He got sentimental, "Oh your father wouldn't have like you to do that. He was so persuasive, I said okay. I could have sold it for \$160,000. Four years later I sold it for \$4,000.

SOURCE I: Prices in \$ of some shares on the Wall Street Stock Exchange

	September 3 1929	November 3 1929
Radio	505	28
General Electric	391	168
American Telephone and Telegraph	330	196
New York Central	249	160
General Motors	169	37
American Can	179	84
Anaconda Copper	153	71

Assignment One: Objective 1

1. Why did share prices on Wall Street crash in October 1929? **(15)**

2. In what ways did the Wall Street Crash affect life in the USA from 1929 to 1932? **(20)**

3. Describe the attempts of the government of the USA to deal with the problems caused by the Wall Street Crash in the years from 1929 to 1932. **(15)**

(Total: 50 marks)

Assignment Two: Objectives 2 and 3

1. Study Sources A
What can you learn from Source A about investing in shares in the USA in the 1920s? (6)

2. Study Sources B, C and D
How do Sources C and D help you to explain the changes in share prices shown in Source B? (8)

3. Study Sources D, E and F
How useful are these sources in helping you understand why so many people in the USA began to buy shares in the 1920s? (10)

4. Study Sources G, H and I
Use Sources H and I and your own knowledge to explain what is happening in Source G. (12)

5. Study all the Sources.
In 1961 a historian wrote, 'No one was responsible for the Great Crash'.

Use the Sources, and your own knowledge, to explain whether you agree with this view of the events of October 1929. (12)

(Total: 50 marks)

Coursework Assignments Mark Scheme

The Wall Street Crash

Assignment One: Objective 1

1. *Why did share prices on Wall Street crash in October 1929?* (15)

Target **Causation / Recall**

Level 1: Simple statements supported by some knowledge,
e.g. they went too high, people became worried, they lost confidence
etc. (1-5)

Level 2: Developed statements supported by relevant knowledge,
e.g. share prices had obviously been allowed to get too high, people
had been allowed to sell shares without any form of control, there
was little control over the creation and flotation of companies, some
were fraudulent, the Curtiss Wright Company etc. (5-10)

Level 3: Developed explanation supported by appropriately selected
knowledge showing understanding of the links between reasons,
e.g. the lack of control produced speculation which was ill-informed
and financially precarious, companies had attempted to maintain
sales by excessive increases in credit which people in the end simply
could not maintain, individuals had been led to believe that shares
were a safe form of investment etc. (11-15)

2. *In what ways did the Wall Street Crash affect life in the USA from 1929 to 1932?* (20)

Target: Consequence / Recall of knowledge

Level 1: Simple statements giving ways supported by some knowledge, e.g. people became homeless, lost their jobs, businesses went bust etc. (1-5)

Level 2: Developed statements giving ways supported by relevant knowledge, e.g. details of unemployment, migration, Hoovervilles, the Bonus Army, closures, banking etc. (5-10)

Level 3: Developed explanation supported by appropriately selected knowledge showing understanding of sequence of events and their interrelationship, e.g. US economy had depended upon credit. Crash led to foreclosing on debts, bankruptcies, unemployment, evictions etc. (11-15)

Level 4: Sustained argument supported by precisely selected knowledge, showing understanding of the changing nature of the impact of the Crash, e.g. the significance of the banking crisis of 1931, lowering of the public confidence in the US government and the financial system, the changing pattern in unemployment etc. (16-20)

3. *Describe the attempts of the government of the USA to deal with the problems caused by the Wall Street Crash in the years from 1929 to 1932* (15)

Target: Key Features/ Recall of knowledge

Level 1: Simple statements giving reasons supported by some knowledge, e.g. the government did not believe that it was its business to intervene, Hoover did not care etc. (1-5)

Level 2: Developed statements supported by relevant knowledge, e.g. Hoover was a Republican and backed business, he did not believe that it was the Federal government's role to interfere, he thought that the situation would clear up on its own, this had never happened before etc. (6-10)

Level 3: Developed explanation supported by selected knowledge showing understanding of the links between factors, e.g. Hoover believed in 'Rugged Individualism', Americans should stand on their own two feet and not be subjected to constant interference from the Federal government, he offered aid but it was in the form of loans, he believed that each community should sort out its own problems etc. (11-15)

Coursework Assignment Mark Scheme

The Wall Street Crash

Assignment Two: Objectives 2 and 3

1. *Study Source A. What can you learn from Source A about investing in shares in the USA in the 1920s?* (6)
- Target:** Comprehension and inference from a source
- Level 1:** Simple statements using the source as information,
e.g. it had become easy to make money on Wall Street, it was no longer a gamble etc. (1-3)
- Level 2:** Developed statements making inferences from the source,
e.g. people had misunderstood the nature of stock market investments, people believed that it was impossible to lose etc, etc. (4-6)
2. *Study Sources B, C and D. How do Sources C and D help you to explain the changes in share prices shown in Source B?* (8)
- Target:** Cross-referencing and analysis of sources
- Level 1:** Simple statements using the sources as information,
e.g. everybody was talking about shares, prices went up, people believed that they would be rich etc. (1-3)
- Level 2:** Developed statements making links between sources or referring to the nature of the sources,
e.g. everyone believed that shares were safe, bankers, businessmen; advertising was used to persuade people to buy, people were deliberately misled about the nature of investments etc. (4-6)
- Level 3:** Developed explanation using the sources as evidence,
e.g. Source D was written by an eye-witness who gives a very clear impression of the infectious nature of the share-dealing, it was impossible to avoid, this would have led to spiralling prices, Source C shows the degree of unscrupulousness at the time etc. (7-8)

3. *Study Sources D, E and F. How useful are these Sources in helping you to understand why so many in the USA began to buy shares in the 1920s?* (10)

Target **Comprehension and analysis of sources to explain utility**

Level 1: Simple statements using the sources as information, e.g. advertising, they believed that they could make a fast buck, everyone was doing it, etc. (1-3)

Level 2: Developed statements making inferences from the sources, e.g. there were no controls on the operation of businesses, shares could be bought and very easily, it was widely believed that prosperity would last forever etc. (4-6)

Level 3: Developed explanation evaluating the sources as evidence, e.g. companies could be set up which were completely unreal, particularly in the Florida Bubble and airlines, the sources show that there was a belief that the stock market could go on rising indefinitely, Source E was from a Democrat so that it was not a Republican idea, Source F shows that the popular press supported the idea as well; it was very difficult to be objective, etc. (7-10)

4. *Study Sources G, H and I. Use Sources H and I and your own knowledge to explain what is happening in Source G.* (12)

Target: **Comprehension and analysis of sources \ recall of knowledge to explain causation**

Level 1: Simple statements using the sources as information or some own knowledge, e.g. share prices crashed, people lost a lot of money, they had to sell what they could etc. (1-3)

Level 2: Developed statements making inferences from the sources and using relevant own knowledge, e.g. Source H shows that few people expected the Crash, there was little good advice available, Source I shows the extent of the Crash, these help explain why the car is being sold so cheaply etc. (4-6)

Level 3: Developed explanation using the sources as evidence and selected knowledge, e.g. the fact that an eye-witness explains the situation which so many people found themselves in, this is backed up by the statistics in Source I, they also explain the reference to 'cash' in H, the Crash created a massive cash crisis because the US economy had been relying on credit expansion etc. (7-10)

Level 4: Sustained argument using the sources as evidence supported by precisely selected knowledge, e.g. sets in the overall context of the 'Boom, Crash and Depression', shows understanding that people had over committed themselves believing that the boom could go on forever etc. (11-12)

5. *Study all the sources. In 1961 a historian wrote, 'No one was responsible for the Great Crash'. Use the Sources, and your own knowledge, to explain whether you agree with this view of the events of October 1929?* (14)

Target: Evaluation of sources \ recall of knowledge to evaluate a historical interpretation

Level 1: Simple statements using the sources as information or some own knowledge, e.g. yes Coolidge was responsible as he said all was well, or not there were many people / it was the whole country, etc. (1-3)

Level 2: Developed statements making inferences from the sources supported by relevant own knowledge, e.g. there seems to be no one person as people from all walks of life were involved as the sources show, Coolidge was responsible as he encouraged people to invest and to believe that nothing could go wrong, etc. (4-6)

Level 3: Developed explanation using the sources as evidence supported by selected knowledge to reach a judgement, e.g. Coolidge may have been responsible in part, but it was the media and business which encouraged people to buy and it was this which ultimately produced the crash, the first hand sources suggest that buying was too deeply entrenched to have been the work of any one person, etc. (7-11)

Level 4: Sustained argument making confident and thorough use of the sources as evidence supported by precisely selected own knowledge to assess the validity of the view, e.g. the sources suggest that the causes were so deeply set in US society that it would be difficult to blame any one person, but the attitude of the Federal Government to business in general must have been a major factor, etc. (12-14)