

WALL STREET CRASH COURSEWORK ASSIGNMENTS

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.

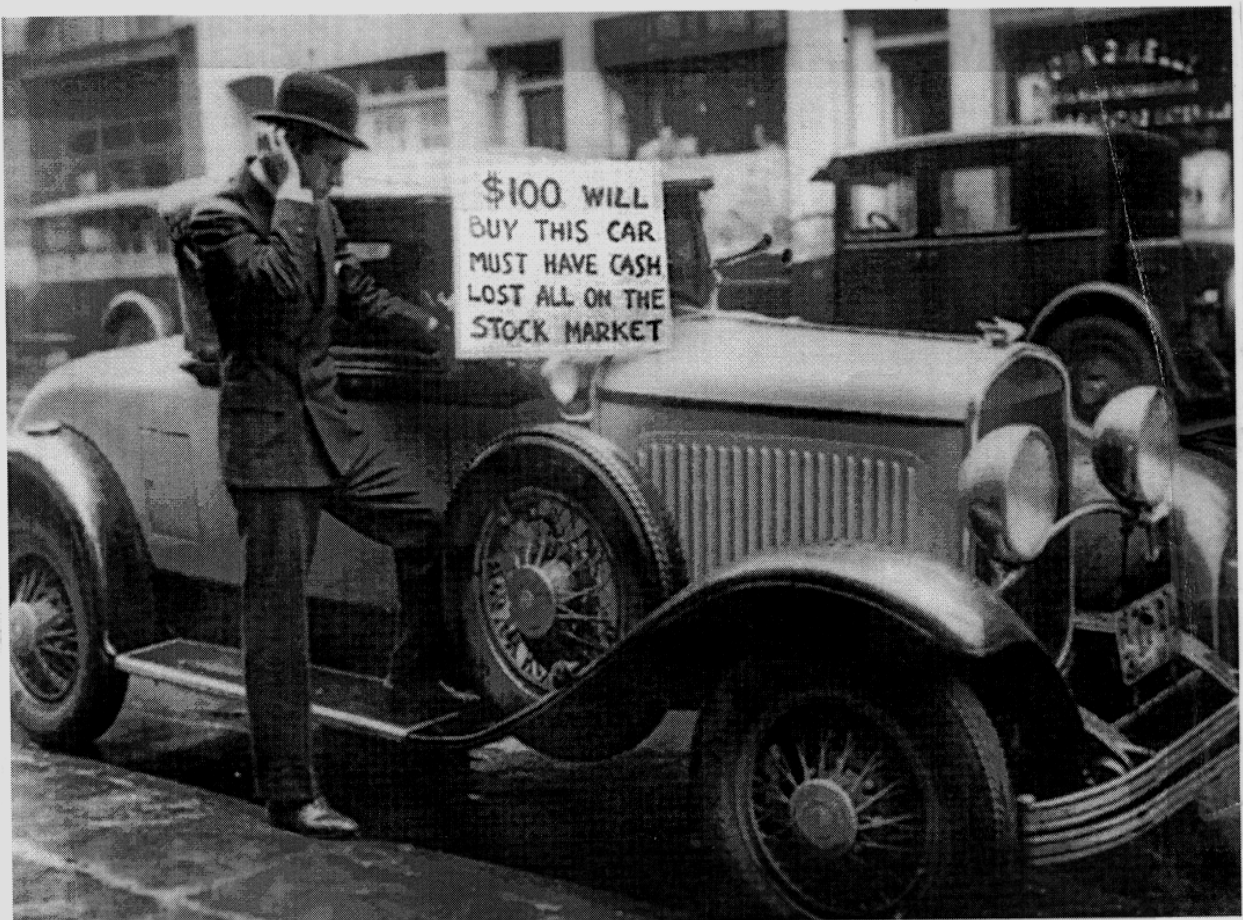
SOURCE E: From the article ‘*Everyone ought to be rich*’ written by an American businessman John Raskob and published in the USA in 1929. Raskob was the campaign manager for Alfred E Smith, the defeated Democratic presidential candidate in 1928.

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 1: Assessment Objective 1

1. Describe the effects of the boom on the USA in the 1920s. (12)
2. Why did Wall Street crash in October 1929? (18)

Assignment 2: Assessment Objectives 2 and 3

1. What can you learn from Source A about buying shares in the USA in the 1920s? (3)
2. Use Source B and your own knowledge to help you describe the changes in share values on Wall Street in the 1920s. (6)
3. Use Sources D and E and your own knowledge to explain why many people in the USA bought shares in the 1920s. (9)
4. Source E suggests that the main reason for the Wall Street Crash was the belief that prosperity would last forever. Do you agree that this was the case? (12)

Markscheme

Assignment 1: Assessment Objective 1

1. Target: Recall of knowledge

Level 1: Simple statements supported by some knowledge, e.g. people bought shares, prices rose, it seemed to be possible to make easy money etc.

(1-4)

Level 2: Developed statements supported by relevant knowledge, e.g. companies seemed to be able to make big profits and their share prices rose very quickly, many people found their wages going up and had money to spare to buy shares, prices rose even quicker etc.

(5-8)

Level 3: Developed exposition supported by selected knowledge showing understanding of a range of effects, e.g. mass production had enabled the economy to boom, this led to high employment and rising wages while prices fell, this encouraged people to invest and prosperity seemed to be around the corner, the government did little to control or restrain people and the economy etc.

(9-12)

2. Target: Causation/Recall of knowledge

Level 1: Simple statements supported by some knowledge, e.g. people began to sell shares, overproduction, loss of confidence etc.

(1-5)

Level 2: Developed statements supported by relevant knowledge, e.g. people began to sell shares because the rise in prices started to slow down in 1929, industry had produced too many goods and could not sell them, people began to wonder if it could really last etc.

(6-10)

Level 3: Developed explanation supported by selected knowledge showing understanding of interrelationship of factors and making links between them, e.g. the federal government failed to control the economy, which allowed shares to be sold without restriction and credit to be increased, this led to people investing in the belief that they could not fail to make profits and also buying much more than they could afford etc.

(11-15)

Level 4: Sustained argument supported by precisely selected knowledge assessing importance of factors, e.g. the key factors were the failure of the government to impose controls and overproduction, this created a situation where people were encouraged to go on buying and business tried to make it as easy and tempting as possible etc.

(16-18)

Assignment 2: Assessment Objectives 2 and 3

1. Target: Comprehension of a source

Level 1: Points taken at face value from the source, e.g. it was easy to make money on the Stock Exchange, it was not gambling, everybody made money etc.

(1-2)

Level 2: Inferences made, e.g. people believed that it was easy to make money, prices had risen for years, this was in 1929, people had been lulled into a false sense of security etc.

(3)

2. Target: Comprehension of source/recall of knowledge

Level 1: Simple statements using the source at face value supported by some own knowledge, e.g. share prices rose, they had been rising throughout the 1920s etc.

(1-2)

Level 2: Developed statements making inferences from the source supported by relevant knowledge, e.g. the biggest rises were in new electrical industries such as radio, they had benefited from the assembly line, not all industries had similar price rises, some heavy industries had suffered etc.

(3-4)

Level 3: Developed explanation supported by selected knowledge, e.g. B does not give a complete picture, although prices of some shares rose, others did not and some industries suffered, the boom had begun in 1923 after the USA had recovered from a post-war slump, by September 1929 some prices were already beginning to slow down etc.

(5-6)

3. Target: Comprehension of sources/recall of knowledge

Level 1: Simple statements taking the sources at face value supported by some own knowledge, e.g. it did not appear to be a gamble, everyone gave you tips, people believed that the boom would last forever etc.

(1-3)

Level 2: Developed statements making inferences from the sources supported by relevant knowledge, e.g. D suggests that Wall Street Fever was widespread and that tips were passed on by word of mouth, price rises of shares encouraged more people to buy, prosperity was seen as continuous and not cyclical etc.

(4-6)

Level 3: Developed explanation making inferences from the sources supported by selected own knowledge, e.g. shows understanding of the range of factors, D reveals how information was passed without any official understanding, E shows a major Democrat politician supporting the Republican view of the boom, D and E show differing reasons for people buying shares etc.

(7-9)

4. Target: Evaluation of an interpretation/recall of knowledge

Level 1: Simple statements using the sources at face value, supported by some own knowledge, e.g. yes/no: sources A, D, E and F support, but sources B, C, G and I do not etc.
(1-3)

Level 2: Developed statements making inferences from the sources supported by relevant own knowledge, e.g. A, D, E and F suggest that people were encouraged to believe that the boom would last forever, sources B, C, G and I suggest that the cause was speculation and the chance of making a 'fast buck' etc.
(4-6)

Level 3: Developed explanation making inferences from the sources supported by selected own knowledge, e.g. can make a judgement such as the belief that the boom could last forever was the most important factor, because this encouraged people to invest, they thought that their money was safe, they did not realise that shares are a risk, A, D, E and F show that there was a great deal of pressure on people to buy from many different angles etc.
(7-9)

Level 4: Sustained argument using the sources supported by precisely selected knowledge, e.g. reaches a balanced judgement etc. both reasons were important but overproduction was the key factor along with the failure of the federal government to impose any restrictions on the economy, Coolidge prosperity, pressure to maintain sales by advertising, limitless credit and the 'never-never' etc.
(10-12)