



The Enterprise Trading Game

A resource for 14–19 year olds
BP Schools Link: Traders' pack



A game that

challenges your

students to engage in

a simulation of

real-life

oil trading!

Key information

Accurate

record keeping

is crucial!

The game

- 4 practice rounds
- Discuss your performance
- 7 'real' trading rounds
- Finalize accounts and be prepared to report back

Record keeping¹

- **Trading request forms:** In order to make a trade, teams must submit a Trading request form to the Controller by the end of each trading round.
- **Financial report:** You need to keep track of your position throughout the game by updating this report.

Trading times

- Each trading round will last for **4 minutes**.
- Trading request forms handed to the Controller outside this time will not be counted.

Trading rules

- You agree futures contracts to buy and sell (i.e. you can sell before you buy).
- Your position must be between **-100 and +100 lots** during the game.
- You must trade in increments of **10 lots**.
- You can also decide not to trade during a round.
- By the end of the game, you must **balance** your sales and purchases.

Price ranges

- Advisers estimate that crude oil may trade between **\$40–\$140** per barrel.

Penalties

- There are penalties if your position is long or short at the end of the game.
- Penalties will be charged at **\$5 per barrel** bought or sold to balance your position.
- If a team is '**short**', a final trade will also be made at the final market price to balance their position. The cost of this purchase will be deducted from the teams' final profit.
- If a team is '**long**', no income will be gained from any remaining stock they have.

Remember to:

- buy low, sell high
- use the news bulletins to inform your decisions
- always keep track of your position
- work together as a team.



Terminology

Short: They have sold more oil than they have bought.

Long: They have bought more oil than they have sold.

Flat: Zero position. Sales balanced with purchases.

¹ Completed examples of these forms can be found in the Standard game: Traders' pack.

Sample Trading request form

Practice round

Team name:

A1 Team

Practice round:

1

Instruction to buy

50

lots of oil @

\$70

per barrel =

-\$3,500,000

$$50 \times \$70 \times 1000 = \$3,500,000$$

Instruction to sell

20

lots of oil @

\$70

per barrel =

\$1,400,000

$$20 \times \$70 \times 1000 = \$1,400,000$$

Remember:

- One 'lot' is equal to 1,000 barrels
- You must sell in increments of 10 lots

Sample Financial report

Practice round

Table of accounts

Team name: **A1 Team**

To keep track of your position during the game, you will need to complete this table of accounts (ledger) at the end of each round.

Round	Market price	Buy (in lots)	Sell (in lots)	Market position (+/-)	Value of trade (per round)
1	\$120	10	0	10	-\$1,200,000
2	\$130	0	50	-40	\$6,500,000
3	\$ 90	40	0	0	-\$3,600,000
4	\$110	0	0	0	\$0

The price of oil for Round 1

10 lots x \$120 x 1,000 = \$1,200,000

- This report is to be completed by the **Accountant** at the end of the practice rounds.
- It must then be submitted to the Controller.

Net cash at close of trading =	\$ 1,700,000
Cost of trade if short after final Trade out round =	-\$ N/A
Penalties* (\$5 per barrel bought or sold to balance position) =	-\$ N/A
Net profit or loss =	\$ 1,700,000

Total value of all trades

\$1,700,000 - \$0 (no penalties) = \$1,700,000

Team name:

Practice round:

Instruction to buy

lots of oil @ per barrel =

Instruction to sell

lots of oil @ per barrel =

Remember:

- One 'lot' is equal to 1,000 barrels
- You must sell in increments of 10 lots

Team name:

Practice round:

Instruction to buy

lots of oil @ per barrel =

Instruction to sell

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lots of oil @ per barrel =

Remember:

- One 'lot' is equal to 1,000 barrels
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Financial report

Practice round

Table of accounts

Team name:

To keep track of your position during the game, you will need to complete this table of accounts (ledger) at the end of each round.

Round	Market price	Buy (in lots)	Sell (in lots)	Market Position (+/-)	Value of Trade (per round)
1	\$				\$
2	\$				\$
3	\$				\$
4	\$				\$

- This report is to be completed by the **Accountant** at the end of the Practice game. • It must then be submitted to the Controller.

Net cash at close of trading =	\$
Cost of trade if short after final Trade out round =	- \$
Penalties (\$5 per barrel bought or sold to balance position) =	- \$
Net profit or loss =	\$

Team name:

Trading round:

Instruction to buy

lots of oil @ per barrel =

Instruction to sell

lots of oil @ per barrel =

Remember:

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Trading round:

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Trading round:

Instruction to buy

lots of oil @ per barrel =

Instruction to sell

lots of oil @ per barrel =

Remember:

- One 'lot' is equal to 1,000 barrels
- You must sell in increments of 10 lots

Financial report

Trading round

Table of accounts

Team name:

To keep track of your position during the game, you will need to complete this table of accounts (ledger) at the end of each round.

Round	Market price	Buy (in lots)	Sell (in lots)	Market Position	Value of Trade (per round)
1	\$				\$
2	\$				\$
3	\$				\$
4	\$				\$
5	\$				\$
6	\$				\$
7	\$				\$

- This report is to be completed by the **Accountant** at the end of the actual Trading game.
- It must then be submitted to the Controller.

Net cash at close of trading =	\$
Cost of trade if short after final Trade out round =	- \$
Penalties (\$5 per barrel bought or sold to balance position) =	- \$
Net profit or loss =	\$