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!

www.bp.com/bpes/tradinggame
Key information

The game
- 4 practice rounds
- Discuss your performance
- 7 ‘real’ trading rounds
- Finalize accounts and be prepared to report back

Accurate record keeping is crucial!

Record keeping
- **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

**Team name:** A1 Team  
**Practice round:** 1

<table>
<thead>
<tr>
<th>Instruction to buy</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>50</strong> lots of oil @ <strong>$70</strong> per barrel = <strong>$3,500,000</strong></td>
</tr>
<tr>
<td>Instruction to sell</td>
</tr>
<tr>
<td><strong>20</strong> lots of oil @ <strong>$70</strong> per barrel = <strong>$1,400,000</strong></td>
</tr>
</tbody>
</table>

Remember:
- One ‘lot’ is equal to 1,000 barrels
- You must sell in increments of 10 lots

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

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

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BP Schools Link 2009
## 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.

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

**The price of oil for Round 1**

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

**Total value of all trades**

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

* 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

BP Schools Link 2009
## Trading request form

### Team name: Practice round: 1

<table>
<thead>
<tr>
<th>Instruction to buy</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>lots of oil @ $ per barrel =</td>
<td>-$</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Instruction to sell</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>lots of oil @ $ per barrel =</td>
<td>$</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Remember:
- One ‘lot’ is equal to 1,000 barrels
- You must sell in increments of 10 lots
# Trading request form

**Team name:** [ ]  
**Practice round:** [2]

## Instruction to buy

<table>
<thead>
<tr>
<th>Lots of oil</th>
<th>$ per barrel</th>
<th>Total $</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>-$</td>
</tr>
</tbody>
</table>

## Instruction to sell

<table>
<thead>
<tr>
<th>Lots of oil</th>
<th>$ per barrel</th>
<th>Total $</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>$</td>
</tr>
</tbody>
</table>

Remember:
- One ‘lot’ is equal to 1,000 barrels
- You must sell in increments of 10 lots
Trading request form

Team name: ___________________________ Practice round: 3

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
Trading request form

Team name: [ ] Practice round: 4

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
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.

<table>
<thead>
<tr>
<th>Round</th>
<th>Market price</th>
<th>Buy (in lots)</th>
<th>Sell (in lots)</th>
<th>Market Position (+/-)</th>
<th>Value of Trade (per round)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$</td>
<td></td>
<td></td>
<td></td>
<td>$</td>
</tr>
<tr>
<td>2</td>
<td>$</td>
<td></td>
<td></td>
<td></td>
<td>$</td>
</tr>
<tr>
<td>3</td>
<td>$</td>
<td></td>
<td></td>
<td></td>
<td>$</td>
</tr>
<tr>
<td>4</td>
<td>$</td>
<td></td>
<td></td>
<td></td>
<td>$</td>
</tr>
</tbody>
</table>

• 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 =$
## Trading request form

**Team name:** [ ]  
**Trading round:** [ ]

### Instruction to buy

[ ] lots of oil @ $\quad$ per barrel = $\quad$-

### Instruction to sell

[ ] lots of oil @ $\quad$ per barrel = $\quad$

**Remember:**
- One ‘lot’ is equal to 1,000 barrels
- You must sell in increments of 10 lots
**Trading request form**

| Team name: | Trading round: | 2 |

**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
### Trading request form

**Team name:**

**Trading round:** 3

#### Instruction to buy

<table>
<thead>
<tr>
<th>Lots of oil</th>
<th>$</th>
<th>per barrel =</th>
<th>-$</th>
</tr>
</thead>
</table>

#### Instruction to sell

<table>
<thead>
<tr>
<th>Lots of oil</th>
<th>$</th>
<th>per barrel =</th>
<th>$</th>
</tr>
</thead>
</table>

**Remember:**
- One ‘lot’ is equal to 1,000 barrels
- You must sell in increments of 10 lots
Team name: Trading  
Trading round: 4

**Instruction to buy**

<table>
<thead>
<tr>
<th>Lots of oil</th>
<th>$</th>
<th>per barrel</th>
<th>-$</th>
</tr>
</thead>
</table>

**Instruction to sell**

<table>
<thead>
<tr>
<th>Lots of oil</th>
<th>$</th>
<th>per barrel</th>
<th>$</th>
</tr>
</thead>
</table>

Remember:
- One ‘lot’ is equal to 1,000 barrels
- You must sell in increments of 10 lots
**Trading request form**

**Trading game**

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**Team name:** [ ]  
**Trading round:** 5

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### 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
# Trading request form

**Team name:**

**Trading round:** 6

## Instruction to buy

<table>
<thead>
<tr>
<th>Lots of oil</th>
<th>$ per barrel</th>
<th>=</th>
<th>-$</th>
</tr>
</thead>
</table>

## Instruction to sell

<table>
<thead>
<tr>
<th>Lots of oil</th>
<th>$ per barrel</th>
<th>=</th>
<th>$</th>
</tr>
</thead>
</table>

**Remember:**
- One ‘lot’ is equal to 1,000 barrels
- You must sell in increments of 10 lots
<table>
<thead>
<tr>
<th>Team name:</th>
<th>Trading round: 7</th>
</tr>
</thead>
</table>

**Instruction to buy**

<table>
<thead>
<tr>
<th>Lots of oil</th>
<th>$</th>
<th>per barrel</th>
<th>$</th>
</tr>
</thead>
</table>

**Instruction to sell**

<table>
<thead>
<tr>
<th>Lots of oil</th>
<th>$</th>
<th>per barrel</th>
<th>$</th>
</tr>
</thead>
</table>

Remember:
- One ‘lot’ is equal to 1,000 barrels
- You must sell in increments of 10 lots
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.

<table>
<thead>
<tr>
<th>Round</th>
<th>Market price</th>
<th>Buy (in lots)</th>
<th>Sell (in lots)</th>
<th>Market Position</th>
<th>Value of Trade (per round)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$</td>
<td></td>
<td></td>
<td></td>
<td>$</td>
</tr>
<tr>
<td>2</td>
<td>$</td>
<td></td>
<td></td>
<td></td>
<td>$</td>
</tr>
<tr>
<td>3</td>
<td>$</td>
<td></td>
<td></td>
<td></td>
<td>$</td>
</tr>
<tr>
<td>4</td>
<td>$</td>
<td></td>
<td></td>
<td></td>
<td>$</td>
</tr>
<tr>
<td>5</td>
<td>$</td>
<td></td>
<td></td>
<td></td>
<td>$</td>
</tr>
<tr>
<td>6</td>
<td>$</td>
<td></td>
<td></td>
<td></td>
<td>$</td>
</tr>
<tr>
<td>7</td>
<td>$</td>
<td></td>
<td></td>
<td></td>
<td>$</td>
</tr>
</tbody>
</table>

* 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 = $