

## Short Sell/Short Cover Skit

- Barry:** "Debbie since we are such great friends, you can borrow my blades."
- Debbie:** "Wow, these blades are really cool! Thanks for loaning them to me."
- Narrator:** Debbie, thinking to herself a few days later.
- Debbie:** Gosh, I'm tired of blading.
- Narrator:** Debbie, remembering that her friend Marty had expressed an interest in buying the blades she thought of an idea.
- Debbie:** You know, Christmas is coming up soon and I bet these same roller blades will cost less during the after-Christmas sales. If I sold them to Marty for \$180.00 today and bought another pair on sale after Christmas for less, maybe I could make a profit. I think I'll do that!
- Narrator:** Debbie approached her friend Marty and said...
- Debbie:** "Marty, I've decided to sell these blades to you for \$180.00"
- Marty:** "Great! Thanks Debbie. Here's your money."
- Narrator:** A short sell transaction has just occurred.
- Narrator:** Debbie was reading the newspaper after Christmas.
- Debbie:** "Look at this! Walmart has the blades on sale for \$160.00. I'm going to go right out and buy them."
- Narrator:** Debbie gives the cashier \$160.00 and has a \$20.00 profit.
- Narrator:** A few days later Barry approaches Debbie.
- Barry:** "Debbie, I'm going to Jeff's house and I'd like to have my blades back."
- Debbie:** "O.K., Barry. Thanks for letting me borrow your blades."
- Narrator:** A short cover transaction has just occurred.