Tesla Shares Surge as Musk Envisions World's Largest Company

Description

Topline

Tesla's stock went up on Thursday, even though the company reported lower earnings for the fourth quarter. This is the second year in a row that Tesla made less money. Investors liked what CEO Elon Musk said about the future and new production plans, including plans for a "robotaxi," which is a driverless taxi.

A Tesla charging station in Germany.

dpa/picture alliance via Getty Images

Key Facts

Tesla made $25.7 billion in sales last quarter. This is less than expected. The earnings per share were $0.73, which is also below estimates.

In 2024, Tesla's full-year income was $8.4 billion, down 23% from last year. However, their total revenue went up slightly to $97.7 billion.

Tesla thinks its car business will grow again in 2025. They will begin making a driverless taxi next year and cheaper cars in the first half of 2025.

After the earnings report, shares fell 5% but then rose 5% the next day, showing mixed reactions from investors.

Crucial Quote

"There is a path where Tesla could be the most valuable company in the world," Musk said. Currently, Tesla is worth $1.3 trillion.

Key Background

This year, Tesla delivered around 1.79 million cars, a decline from previous years. Despite this, Tesla's stock has increased more than 100% over the last year.

Further Reading

Forbes
Tesla Stock Dives More Than 5% As Q4 Vehicle Deliveries Fall Short Of Estimates
By Derek Saul

Vocabulary List:

1. **Earnings** /ˈɜːrnɪŋz/ (noun): The amount of money a company makes after expenses are deducted.
2. **Revenue** /ˈrɛvənjuː/ (noun): The total income generated by the sale of goods or services.
3. **Decline** /dɪˈklaɪn/ (verb): To decrease or diminish in quantity quality or value.
4. **Production** /prəˈdʌkʃən/ (noun): The process of manufacturing or creating goods.
5. **Investor** /ɪnˈvɛstər/ (noun): A person or entity that allocates capital with the expectation of a financial return.
6. **Valuable** /ˈvæljuːəbl/ (adjective): Worth a great deal of money or having great utility or importance.

Vocabulary quizzes

Multiple Choice (Select the Correct answer for each question.)

1. What field focuses on creating intelligent machines that can simulate human thinking?

   Option: Cryptocurrency
   Option: Artificial Intelligence
   Option: Earnings
   Option: Tariffs

2. Who are individuals or institutions that commit money to securities or assets with the expectation of receiving a return on their investment?

   Option: Production
   Option: Investors
   Option: Recycler
   Option: Earnings

3. Where do buyers and sellers come together to trade assets like stocks currencies and commodities?

Option: Market
Option: Enforce
Option: Production
Option: ETF

4. What is the advice or information provided to help make decisions or navigate a situation?

Option: Valuable
Option: Guidance
Option: Earnings
Option: Recycler

5. What term refers to working together towards a common goal or project?

Option: Traded
Option: Collaboration
Option: Unfair
Option: Invest

6. What refers to the basic physical and organizational structures and facilities needed for the operation of a society or enterprise?

Option: Investor
Option: Infrastructure
Option: Worry
Option: Earnings

7. Who are individuals engaging in the buying and selling of financial assets in the market?

Option: Advantage
Option: Recycler
Option: Traders
Option: Cryptocurrency

8. What are taxes or duties to be paid on a particular class of imports or exports?

Option: tariffs
Option: Protect
Option: Earnings
Option: Interest

9. What is the action to guard or defend against potential harm or damage?

Option: Tariffs
Option: Protect
Option: Investor
Option: Infrastructure

10. What investment fund is traded on stock exchanges much like stocks?

Option: Exciting
Option: ETF
Option: Collaboration
Option: Revenue

Gap-Fill (Fill in the blanks with the correct word from the vocabulary list.)

11. Companies report their _____ as a measure of their financial performance.

12. An _____ is someone who allocates capital with the expectation of a return.

13. _____ efficiency is crucial for manufacturing businesses to lower costs.

14. Banks provide loans in return for _____ payments from borrowers.

15. Having prior knowledge can give you a(n) _____ in competitive situations.

16. Bitcoin is a popular example of a digital _____ used as a medium of exchange.

17. Sales _____ is a key performance indicator for businesses to track their income.

18. Investors often _____ about market fluctuations affecting their portfolios.

19. The _____ processed plastic bottles into reusable materials.

20. Time is a _____ resource that should be used wisely for maximum benefit.

Matching Sentences (Match each definition to the correct word from the vocabulary list.)

21. Investing in the stock market can be both rewarding and for those who enjoy the thrill of trading.
22. A prolonged economic downturn can result in a in business activities and consumer spending.
23. When competition is not conducted on a level playing field it can lead to perceptions of practices.
24. Governments create laws and regulations to rules and maintain order in society.
25. A person or company involved in the of goods or services for sale is known as a producer.
26. Mentors and advisors can provide valuable insight and to individuals navigating their careers.

27. Individuals who seek long-term growth may choose to in stocks and other financial instruments.
28. Insurance policies are designed to help individuals and their assets from unforeseen risks.
29. Time is a commodity that once spent cannot be regained.
30. Securities like stocks and bonds can be bought and on the stock market by investors.

Answer

Multiple Choice: 1. Artificial Intelligence 2. Investors 3. Market 4. Guidance 5. Collaboration 6. Infrastructure 7. Traders 8. tariffs 9. protect 10. ETF

Gap-Fill: 11. Earnings 12. Investor 13. Production 14. interest 15. advantage 16. Cryptocurrency 17. Revenue 18. Worry 19. Recycler 20. Valuable

Matching sentence: 1. Exciting 2. Decline 3. Unfair 4. Enforce 5. Producer 6. Guidance 7. Invest 8. Protect 9. Valuable 10. Traded

CATEGORY

1. Business - LEVEL1

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