

## The investment theory of Buffett

### P10. The young Buffett

No matter what is, just about the numbers, Buffett always was highly interested in.

Wallen · Buffett was born in Nevada Omaha in the middle west of America on August-thirty, 1980. His father Huohua · Buffett had been a stock manager and also a congressman. His mother Lela was a house manager and he also had two sisters, Doris and Bertie.

### The hard background

The time Buffett born was the panic period caused by New York stock market plummeted one years ago. The same as many people, Buffett's family was also influenced by the panic. Because of the stock company's closed down, his father lost the stock promotion job two weeks before Buffett's one year birthday.

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After that, although Huohua founded a stock company with friends again, but it didn't do well and there was few fees to earn. The situation of Buffett's family was truly hard. Because of this, Buffett experienced the harsh of poor started with childhood and plus the influence of his father's strong conscience, he had have the habits all of his life time that he isn't interested in luxury lives.

The situation of Buffett's family was getting better when he entered the elementary school. He also early elaborated the commercial talent. He bought price six bottles of Coca Cola by twenty-five cents from his grandfather's grocery store in Omaha and sold one bottle price for five cents in the neighborhood. Therefore, he can earned five cents when he sold out the one whole box.

But in personal aspect, Buffett preferred Pepsi-Cola. Because in that time, Pepsi-Cola was one bottle packed twelve ounces and Coca Cola was six ounces, but they were prized the same. About after half-century, he turned Pepsi-Cola to Coca Cola and at this time, he had already become the biggest stockholder in Coca Cola. But before this, he had truly been the fans of Pepsi-Cola.

When Buffett was ten, maybe because of the influence of Huohua's work, had revealed the interest about stock market. He often appeared in Huohua's office

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and watched the change of stock and bond's price with high interest. At the same time, he further came to other stock companies in the same building along with Huohua's office. He used chalks to write down the stock's price on the whole black board and had a lot of fun.

Buffett, who had have interest in stock market, started his first stock investment in eleven. He used his money buy three shares of the 'The service of pleasure' stocks each for himself and his sister Doris.

The stock prize of 'The service of pleasure' was once going down to twenty-seven dollars below the buying prize thirty-eight dollars, but Buffett kept waiting and sold out the stocks when the prize was forty. This is also the first time earn the revenue from investment. But after few years, the prize was going up to two hundred dollars. He just know: for investment, the ability of endurance is necessary.

### **Be sensitive of numbers since little age**

Roger · Rostin, the reporter of famous economic paper 'The Wall Street report' and had written the book named 'Buffett', had an interview with Buffett's family and friends. They all gorgeously described the teenage of Buffett.