Exposition – The narrator is interested in telling us about Mathilde (even though we don’t yet know her name). We learn about her back-story, her character, and her unhappiness with her mediocre life. Setting = her apartment.

Inciting Moment – The action begins when M. Loisel (Mathilde’s husband) comes home with the invitation to the fabulous ball and Mathilde reacts by having a fit. Now we have a specific problem: Mathilde’s now has the best opportunity she’s ever had to have a taste of the high life, but she has nothing to wear.

Rising Action – Mathilde solves the first problem when her husband gives her money for a dress. But then she runs into a second problem: she’s needs jewels. Mme. Forestier is able to provide her with a diamond necklace. Now, Mathilde has been entrusted with something expensive that belongs to someone else and there is the potential for disaster.

Climax/Turning Point – Mathilde’s discovery that the necklace is missing is the most exciting and dramatic moment in the story. Before, the story was a build-up to Mathilde’s one glorious night with the rich and famous. Now it transitions into a desperate search.

Falling Action – When it becomes clear the necklace isn’t going to be found, the question becomes: what will the Loisels do? How the are they going to pay 30,000 francs to replace it? It turns out paying for it takes quite a toll on them – their lives are ruined for 10 years.

Resolution – When Mathilde meets Mme. Forestier on the Champs Elysées, the main action is over. The Loisels have finally finished paying off their debts for the necklace. All that remains is for Mathilde to see whether her friend ever noticed the substitute necklace, and tell her the sad story of the whole affair. Unfortunately for Mathilde, Mme. Forestier fills her in on a little secret (and a huge plot twist!): the diamonds in the necklace were paste – it was fake, only worth 500 francs!