

**2016-2017**

**KNOWLEDGE @ WHARTON HIGH SCHOOL**

**INVESTMENT COMPETITION**

**ADDITIONAL RESOURCES**

# Pre-Competition Activities:

## Communication and Leadership

### Discussion Questions

- Are some communication styles more effective than others?
- How do communication styles change in different situations?
- How do people communicate non-verbally?
- How does communication relate to leadership?

### Learning Outcomes

- Communication can be verbal, non-verbal, or both
- It is important to pay attention to non-verbal communication cues
- Communication styles differ, especially across cultures
- Good leaders need to possess multiple communication styles

### Suggested Lesson Plans

- [Teamwork and Communication](#)
- [Communication Styles](#)
- [Cultivating Total Leadership](#)
- [The Six Traits of Excellent Leaders](#)
- [How to Lead from Within](#)

### Suggested KWHS Articles

- [Understanding Global Leadership in the Year of the Protester](#)
- [Top Qualities: Everyone Has the Capacity to Be a Leader](#)
- [The Power to Lead: The Next Generation of Social Entrepreneurs](#)
- [Winning Spanish Coach Josep Guardiola: A Quiet Leadership](#)

### Suggested K@W Articles

- [Leading from Within Means Learning to Manage Your Ego and Emotions](#)
- [Cultivating Total Leadership with Authenticity, Integrity and Creativity](#)
- [HP and Patagonia: Two Similar, Yet Different, Leadership Styles](#)
- [Reaching the Summit: Rodrigo Jordan's Leadership Lessons from the Andes](#)

# Pre-Competition Activities: Teamwork

## Discussion Questions

- When is a team approach useful and when is it not?
- What are some reasons teams fail?
- What are some characteristics of a good team environment?
- How does teamwork relate to leadership?

## Learning Outcomes

- Teams are important when there are complex tasks that need diverse perspectives
- It is important to ensure that everyone is committed to the team's goals
- Communication, open-mindedness and the willingness to work through problems are important characteristics of a good team environment
- Team leaders must be strong and understand the ambitions of his/her team

## Suggested Lesson Plans

- [Working on Team Tasks](#)
- [Individual Decisions and Collective Success](#)
- [Collective Interest in Teams](#)
- [Leadership is Not in a Vacuum](#)
- [Letting Go of Ego](#)
- [Improvisation in Teams](#)

## Suggested KWHS Articles

- [Teamwork with a Marshmallow on Top](#)
- [Serial Tech Entrepreneur Sachin Rekhi: Relationships Build Careers](#)
- [Programming Robots in Zero Gravity](#)
- [Embracing Differences: Companies Tap the Richness of Diversity](#)

## Suggested K@W Articles

- [Building Leadership Through Teamwork](#)
- [Expedition to Ecuador: Leadership and Teamwork at 19,000 Ft.](#)
- [Teamwork in a Shock Trauma Unit: New Lessons in Leadership](#)

# Learning Materials: Investment Overview

## Primary Lesson Plan

- [What Is an Investment?](#)

## Discussion Questions

- What is an investment?
- What are different investment choices?
- Why do individuals invest?
- What are risk and return and how are they measured?

## Learning Outcomes

- An investment is a short-term sacrifice that is made for a long-term gain
- Investments can take many different forms, such as going to college to stocks
- Individuals make investments in order to gain a return
- Investments have varying degrees of risk and return

## Suggested Lesson Plans

- [Investments—Stocks](#)
- [Saving Money](#)
- [Assessing Investment Options](#)
- [Opportunity Costs: What is My Best Alternative?](#)
- [Investing: The Power of Compound Interest](#)

## Suggested KWHS Articles

- [What Are the Different Investment Choices: From Condos to Gold to Just Plain Cash](#)
- [Investing 101: The Prospect of Growing Your Money \(Video\)](#)
- [Big Investment: The Financial Impact of Student Loans](#)
- [Inflation: What It Is, Where It Comes From and How It Can Bite You](#)

## Suggested K@W Articles

- [In a Withering Market, Where Will Your Investments Grow?](#)
- [Why Stock-price Volatility Should Never Be a Surprise, Even in the Long Run](#)
- [Stocks Revisited: Siegel and Shiller Debate](#)
- [Why Some Chinese Invest in the Stock Market and Others Don't](#)

# Learning Materials: Investment Decisions

## Primary Lesson Plan

- [Risk and Diversity](#)

## Discussion Questions

- What is risk?
- What is diversification?
- Why would an individual want to diversify risk?
- How would an investor diversify risk through a portfolio of assets?

## Learning Outcomes

- Risk is the chance, or degree of probability that a loss will occur
- Diversification is a strategy used to spread risks across investments
- It is important to diversify risk, so that no single investment failure will lead to severe economic harm
- Investors can achieve varying degrees of diversification by allocating resources across different investments

## Suggested Lesson Plans

- [Speculation—Stocks](#)
- [Speculation—Real Estate](#)
- [What to Expect—Decision-making and Expected Value](#)
- [Risky Business—Dealing with Uncertainty](#)

## Suggested KWHS Articles

- [Understanding Risk and Return: The Roller Coaster Ride of Investing](#)
- Why Investors Diversify: Spreading Your Wealth Across Assets, Industries and Countries
- Olivia Mitchell on Why Young Consumers Should Just Say No to Spending
- [Why It Pays to Save: Knowing the Time Value of Money](#)

## Suggested K@W Articles

- [How Much Money Will You Need for Retirement? More Than You Think](#)
- [The Big Financial Stretch: Preparing for Those Later Decades](#)
- [The Big Pay Off: Why Hedge Funds Can't Afford to Ignore Risk Exposure](#)
- [Risky Business Becomes Riskier: A New Playbook for How Artists Are Compensated](#)

# Learning Materials: Portfolio Management

## Primary Lesson Plan

- [Portfolio Management](#)

## Discussion Questions

- What is a portfolio manager?
- What is an investor life cycle?
- What is an investment policy statement?
- Why is an investment policy statement important?

## Learning Outcomes

- A portfolio manager invests in and manages a diverse group of assets
- Investors have different risk tolerance levels at various life stages
- An investment policy statement spells out the goals and strategy of a portfolio
- A portfolio should match the risk and return expectations of a client

## Suggested Lesson Plans

- [Investment Portfolio](#)
- [Retirement Planning](#)
- [Buying and Leasing Cars](#)
- [Budgeting for College Life](#)

## Suggested KWHS Articles

- [The Investor Lifecycle: Changing Priorities, Changing Portfolios](#)
- [Portfolio Managers: The Challenge Is Making More than One Winning Stock Pick](#)
- [Portfolio Management: Making Decisions about Your Investments](#)
- [Budgeting Basics: Spending Less than You Earn](#)

## Suggested K@W Articles

- [The Importance of Being Long-term: Vanguard's William McNabb on What's Ahead for Investors](#)
- [Note to Investors: Don't Play Games with Asset Allocation](#)
- [Wealth Management Report: Asset Allocation and Diversification](#)
- [Vanguard's Brennan on Stock Market: Resist Temptation; Emphasize Diversification; Stay Calm](#)

# Learning Materials: Company Analysis

## Primary Lesson Plan

- [SWOT \(Strengths, Weaknesses, Opportunities, Threats\)](#)

## Discussion Questions

- Why is it important to analyze a company before making an investment?
- What external and internal factors might an investor want to analyze?
- What is a SWOT analysis?
- What are some of the strengths and weaknesses of a SWOT analysis?

## Learning Outcomes

- A thorough analysis will help ensure that investors receive a return on investment
- It is important to analyze both internal factors and external factors
- SWOT analysis is one of many tools that can be used to better understand a company
- The effectiveness of a SWOT analysis (or any analysis) depends on thorough research by the investor. Junk in, junk out is the key to remember when doing an analysis

## Suggested Lesson Plans

- [Rivals and Analyzing Business Growth Potential](#)
- [Strategizing for Business Growth](#)
- [Strikes in the Business Sector](#)

## Suggested KWHS Articles

- [Strengths, Weaknesses, Opportunities, Threats: The SWOT Analysis](#)
- [Pandora: The Building Blocks of an Innovative Internet Radio Station](#)
- [Is Your Cell Phone a Fake?](#)
- [Boeing vs. Machinists: Behind the Scenes of the U.S. Labor Movement](#)

## Suggested K@W Articles

- [Value Stocks vs. Growth Stocks: Timing Counts](#)
- [What's Wrong with This Picture: Kodak's 30-year Slide into Bankruptcy](#)
- [The Bitter and the Sweet: How Five Companies Competed to Bring Chocolate to China](#)
- [Dell's Diversification Strategy: 'A Day Late and a Dollar Short?'](#)

# Learning Materials: Financial Reports

## Primary Lesson Plan

- [Accounting and the Basics of Financial Reporting](#)

## Discussion Questions

- What are the primary financial documents that a public company must file?
- What are the different financial statements that can be found in these documents?
- What important information is located within the financial statements?
- How might an investor use the financial statements?

## Learning Outcomes

- Public companies are required to file annual (10-K) and quarterly (10-Q) reports
- Income statement, balance sheet and cash flow statement are key financial statements
- Financial statements will describe a company's overall financial health and profitability
- Investors can use financial statements to identify positive and negative financial trends

## Suggested Lesson Plans

- [Introduction to the Income Statement](#)
- [Introduction to the Balance Sheet](#)
- [Introduction to the Cash Flow Statement](#)

## Suggested KWHS Articles

- [Making a Statement: 10Ks, 10Qs and Company Financials \(Video\)](#)
- [The Fed Revealed: Understanding the Dangers of Monetary Policy](#)
- [Credit Alert: The Dangers of Overspending and Underpaying](#)
- [Friendly's: Where Chapter 11 Bankruptcy Makes the Meal](#)

## Suggested K@W Articles

- [So Your Sales Went Up? So What?](#)
- [How Sustainable Is Groupon's Business Model?](#)
- [Can Twitter Promote Itself into Profitability?](#)
- [Strategies for a Two-speed World](#)
- [Finance & Accounting for the Rest of Us: A Conversation with Richard A. Lambert](#)



# Learning Materials: Financial Ratios

## Primary Lesson Plan

- [Financial Ratios](#)

## Discussion Questions

- What can financial ratios tell an investor about a company's performance and health?
- What are the primary financial ratios used in analysis?
- How are financial ratios used to inform investment decisions?
- What are some of the strengths and limitations of financial ratios?

## Learning Outcomes

- Financial ratios provide detailed information about a company's financial health, operational effectiveness and risks
- Primary financial ratios include: internal liquidity ratios, operating performance ratios and risk analysis ratios
- Financial ratios can be used to better understand a company as well as to compare different companies
- Financial ratios provide a good assessment of a company's past performance, but they do not necessarily provide a clear picture of potential threats and opportunities

## Suggested Lesson Plans

- [Present Value](#)
- [Profit and Loss](#)
- [Break Even](#)
- [What Affects Auto Insurance Costs? Understanding the Data](#)

## Suggested KWHS Articles

- [Financial Ratios: Evaluating a Company's Health and Worth \(Video\)](#)
- [FB Files for an Initial Public Offering](#)
- [Groupon Goes Public](#)
- [Behind the Scenes at Urban Outfitters](#)

## Suggested K@W Articles

- [Dot-Com Bubble, Part II? Why It's So Hard to Value Social Networking Sites](#)
- [M&A's Overlooked Pitfall: The False Negative](#)
- [Warning: Big Financial Firms May Be Riskier Than They Appear](#)

# Learning Materials: Relative Value Ratios

## Primary Lesson Plan

- [Relative Value Ratios](#)

## Discussion Questions

- What are relative value ratios?
- What are the primary relative value ratios used in analysis?
- Why would an investor use relative value ratios?
- What are some of the limitations of using relative value ratios?

## Learning Outcomes

- Relative value ratios can be used to compare companies' stock prices for value
- The main relative value ratios are: P(price)/earnings, P/book value, P/cash flow, P/sales
- Investors use relative value ratios to determine if stocks are under or over valued
- Relative value ratios only compare value and they do not project future performance

## Suggested Lesson Plans

- [Rubber Bands—Price Elasticity 101](#)
- [Elasticity—How Much Are You Willing To Pay?](#)
- [Dis \(Equilibrium\)—Who Sets Prices Anyway?](#)
- [Balancing Acts—Finding Equilibrium Price](#)

## Suggested KWHS Articles

- [Earnings per Share: A Valuable Tool for Investors](#)
- Relative Value Ratio's: A Podcast with Aberdeen's Qie Zhang
- [Of Chocolate and China: Nestle Expands in Beijing](#)
- [Big-Scale Buying and Selling: Dealing in Mergers & Acquisitions](#)
- [In Your Face: Microsoft's \\$8.5 Billion Takeover of Skype](#)

## Suggested K@W Articles

- [Will a Eurozone Recession Put a Damper on the World's Fragile Economic Recovery?](#)
- [Jeremy Siegel on 2010: Good for Stocks, Bad for Bonds—and Why Interest Rates Will Go Up](#)
- [Lesson One: What Really Lies Behind the Financial Crisis?](#)
- [Finding Opportunity in a Bear Market](#)

# Learning Materials: Industry Analysis

## Primary Lesson Plan

- [Introduction to Industry Analysis \(Porter's Five Forces\)](#)

## Discussion Questions

- Why is it important to analyze an industry before making an investment?
- What industry factors might an investor want to analyze?
- What is Porter's Five Forces Model?
- What are some of the strengths and weaknesses of Porter's Five Forces Model?

## Learning Outcomes

- Industry factors can play a significant role in a company's performance
- Factors such as suppliers, buyers, competition, substitutes and rivalry may impact
- Porter's Five Forces Model provides a context to analyze an industry
- The effectiveness of Porter's Five Forces Model (or any analysis) depends on thorough research by the investor. Junk in, junk out is the key to remember when doing an analysis

## Suggested Lesson Plans

- [Management Theories: Analysis of Five Competitive Forces \(National Level\)](#)
- [Five Competitive Forces: Threats from New Entrants/Substitutes \(National\)](#)
- [Five Competitive Forces: Bargaining Power of Buyers \(National\)](#)
- [Customers as a Competitive Force](#)

## Suggested KWHS Articles

- [Show Me the Money: Analyzing Porter's Five Forces](#)
- [Baseball's Bottom Line: The Money Behind the Game](#)
- [Vampires: It's a Bloody—and Booming—Business](#)
- [The Ultimate Business of Mixed Martial Arts](#)

## Suggested K@W Articles

- [Building Blocks: The Bright Future of Colombia's Cement Industry](#)
- [Power to the People or Just a Fad? Forecasting the Future of Group Buying Sites](#)
- [The Groupon Effect in China](#)
- [Upended by eBooks: Is This the Last Chapter for the Book Business?](#)

# Learning Materials: Ethics and Social Responsibility

## Primary Lesson Plan

- [Global Business Ethics and Social Responsibility](#)

## Discussion Questions

- How are ethics and business related?
- Do businesses have an ethical responsibility to their stakeholders?
- How are social responsibility and business related?
- Do businesses have a social responsibility to their stakeholders?

## Learning Outcomes

- Businesses make decisions that impact a wide range of stakeholders, so the ethics of those decisions are important
- Businesses have an ethical responsibility to their stakeholders
- Businesses operate in society and their actions impact a wide range of stakeholders
- Businesses have a social responsibility to their stakeholders, but the level of this social responsibility is often debated

## Suggested Lesson Plans

- [Ethics: The Four Views of Ethics \(National\)](#)
- [How Personal Values Impact Decision-making](#)
- [Socially Responsible and Ethical Business Behavior](#)
- [Understanding Fair Trade](#)

## Suggested KWHS Articles

- [Just Do It—But Ethically, Please](#)
- [A Forever 21 Lawsuit Highlights the Importance Workplace Rights](#)
- [Economic Partnership: Coffee Beans, Moroccan Rugs and the Future of Fair Trade](#)
- [Extra, Extra! Sensationalism in Journalism](#)
- [Katherine Klein on Social Impact \(Video\)](#)

## Suggested K@W Articles

- [Business vs. Ethics: The India Tradeoff](#)
- [Don't Mention It: How 'Undiscussables' Can Undermine an Organization](#)
- [From Soup to...Corporate Social Responsibility: Campbell's Efforts Lead the Way](#)