



KWHS
Investment Competition

2017-2018
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

- [Top Qualities: Everyone Has the Capacity to Be a Leader](#)
- [Great Leaders Recognize and Value the Power of Emotions](#)
- [Mountain Guides Teach Us About Leadership](#)
- [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](#)
- [Career Spotlight: Motion Capture Is an Industry on the Move](#)
- [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](#)
- [The Puzzling Practice of Investing in Stocks and Bonds](#)
- [Saving Money](#)
- [Assessing Investment Options](#)
- [Opportunity Costs: What is My Best Alternative?](#)
- [Investing: The Power of Compound Interest](#)
- [Mutual Funds and Exchange-traded Funds as Investment Tools](#)

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](#)
- [A 'Sneakerhead' Shares His Simple Strategy: Buy Low and Sell High](#)

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](#)
- [Research strategies for New Investors](#)
- [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 primary relative value ratios are 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

- [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](#)
- [It's Tempting, but Is It Ethical?](#)
- [Economic Partnership: Coffee Beans, Moroccan Rugs and the Future of Fair Trade](#)
- [Extra, Extra! Sensationalism in Journalism](#)
- [Katherine Klein on Social Impact \(Video\)](#)
- [Insights from the Fall of Aleppo](#)

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](#)