

SCHOOL DISTRICT OF THE CHATHAMS

Investments & Portfolio Management Grades 10-12 Semester

Course Overview

This course offers an introduction to investments, including investment analysis, portfolio management, and capital markets. Designed to provide the basic concepts and principles of investing, the course examines investment policies, types of securities, factors that influence price changes, timing purchases/sales, preparing investment programs to meet objectives, investment risk and return, and portfolio balancing. Instruction also includes an overview of the securities market and its behavior, including sources of information about the various instruments traded, procedure of trades, and the relevant mechanics and techniques of the market.

New Jersey Student Learning Standards

The New Jersey Student Learning Standards (NJSLS) can be located at www.nj.gov/education/cccs/2020/.

Civic Financial Responsibility

- 9.1.12.CFR.3: Research companies with corporate governance policies supporting the common good and human rights.
- 9.1.12.CFR.6: Identify and explain the consequences of breaking federal and/or state employment or financial laws.

Planning & Budgeting

- 9.1.12.PB.2: Prioritize financial decisions by considering alternatives and possible consequences.

Risk Management & Insurance

- 9.1.12.RM.2: Identify types of investments appropriate for different objectives such as liquidity, income, and growth.

Economic & Government Influences

- 9.1.12.EG.2: Explain why various forms of income are taxed differently

Finance

- 9.3.12.FN.SEC 12 Access, evaluate and disseminate financial information to enhance financial decision-making processes

Technology Standards

- 9.4.12.TL.1: Assess digital tools based on features such as accessibility options, capacities, and utility for accomplishing a specified task (e.g., W.11-12.6.)
- 9.4.12.TL.3: Analyze the effectiveness of the process and quality of collaborative environments.
- 9.4.12.IML.2: Evaluate digital sources for timeliness, accuracy, perspective, credibility of the source, and relevance of information, in media, data, or other resources (e.g., NJSLSA.W8, Social Studies Practice: Gathering and Evaluating Sources.
- 9.4.12.IML.4: Assess and critique the appropriateness and impact of existing data visualizations

for an intended audience (e.g., S-ID.B.6b, HS-LS2-4).

9.4.12.IML.9: Analyze the decisions creators make to reveal explicit and implicit messages within information and media (e.g., 1.5.12acc.C2a, 7.1.IL.IPRET.4).

21st Century Integration | NJSLS 9

9.4.12.CI.1: Demonstrate the ability to reflect, analyze, and use creative skills and ideas

9.4.12.CT.1: Identify problem-solving strategies used in the development of an innovative product or practice

9.4.12.CT.2: Explain the potential benefits of collaborating to enhance critical thinking and problem solving

9.3.12.FN-SEC.1 Describe and follow laws and regulations to manage business operations and transactions in the securities and investments industry.

9.3.12.FN-SEC.4: Utilize career-planning concepts, tools and strategies to explore, obtain and/or develop in a securities and investments career.

Career Ready Practices

CRP1. Act as a responsible and contributing citizen and employee.

CRP2. Apply appropriate academic and technical skills.

CRP4. Communicate clearly and effectively and with reason.

CRP6. Demonstrate creativity and innovation.

CRP8. Utilize critical thinking to make sense of problems and persevere in solving them.

CRP12. Work productively in teams while using cultural global competence.

Interdisciplinary Connections

English Language Arts

- RI.9-10.1. Accurately cite strong and thorough textual evidence, (e.g., via discussion, written response, etc.) and make relevant connections, to support analysis of what the text says explicitly as well as inferentially, including determining where the text leaves matters uncertain.
- RI.9-10.2. Determine a central idea of a text and analyze how it is developed and refined by specific details; provide an objective summary of the text.
- RI.9-10.4. Determine the meaning of words and phrases as they are used in a text, including figurative, connotative, and technical meanings; analyze the cumulative impact of specific word choices on meaning and tone (e.g., how the language of a court opinion differs from that of a newspaper).
- RI.9-10.5. Analyze in detail how an author's ideas or claims are developed and refined by particular sentences, paragraphs, or larger portions of a text (e.g., a section or chapter).
- RI.9-10.6. Determine an author's point of view or purpose in a text and analyze how an author uses rhetorical devices to advance that point of view or purpose.
- W.9-10.1. Write arguments to support claims in an analysis of substantive topics or texts, using valid reasoning and relevant and sufficient evidence.
- W.9-10.4. Produce clear and coherent writing in which the development, organization, and style are appropriate to task, purpose, and audience.

Computer Science and Design Thinking

- 8.1.12.IC.3: Predict the potential impacts and implications of emerging technologies on larger social, economic, and political structures, using evidence from credible sources.
- 8.1.12.DA.5: Create data visualizations from large data sets to summarize, communicate, and support different interpretations of real-world phenomena.

Social Studies

- 6.1.12.EconNE.6.a: Analyze the impact of money, investment, credit, savings, debt, and financial institutions on the development of the nation and the lives of individuals.
- 6.2.12.EconGE.6.b: Assess the role government monetary policies, central banks, international investment, and exchange rates play in maintaining stable regional and global economies.

Computer Science and Design Thinking

- 8.2.12.EC.3: Synthesize data, analyze trends, and draw conclusions regarding the effect of a technology on the individual, culture, society, and environment and share this information with the appropriate audience.

Units of Study

Unit 1: Introduction to Accounting (~10 days)

- What is an income statement and how do investors use it?
- What is a balance sheet and how do investors use it?
- What is the basic accounting equation?
- What are the important ratios needed to measure companies?
- How do investors use these ratios to compare investment options?
- What do financial statements reveal?
- What is capital structure and the related costs of capital?

Unit 2: Introduction to Economics Indicators (~10 days)

- What economic indicators are imperative to investing?
- How does inflation impact investing?
- How do interest rates impact investment markets?
- What are the supply & demand dynamics of investing?
- How does the state of the economy affect capital markets?
- How is investing inherently linked to globalization?

Unit 3: Asset Classes (~10 days)

- What is an asset class and how are they classified?
- What are traditional and alternative asset classes?
- How do various asset classes function?
- What are the primary risks associated with each major asset class?
- What are the performance metrics used for each asset class?
- How is past performance relevant?
- What are the major catalysts investors look for?
- What are the nuances of taxation in each asset class?
- What does it mean to “sell short”? “long”? or sell on margin?

Unit 4: Valuation (~10 days)

- What are the basic models used for valuation?
- What are the key drivers of valuation?
- What causes changes in the price of securities?
- What spurs mergers & acquisition activity?
- What is merger arbitrage?

Unit 5: Portfolio Construction (~10 days)

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- What are the variables to consider in asset allocation decisions?
- What are the major determinants of portfolio performance?
- How are portfolio rebalancing decisions made?
- How are ETFs and index funds impacting portfolio decisions?
- How are technologies such as artificial intelligence impacting the wealth management industry?
- How do the various forms of retirement plans work and how do they impact investment strategy?
- How do investment goals and time horizons for distributions impact portfolio decisions?
- How will trends in globalization impact the future?

Unit 6: Careers (~10 days)

- What types of organizations engage in investment business?
- What types of occupations are available to investment professionals?
- What are the entry level positions available to emerging financial professionals?
- What career paths can be pursued by financial professionals?
- How do students prepare for a career in finance and develop proper qualifications?

<h3>Learning Objectives/Discipline Standards of Practice</h3>

Learning Objectives:

Through a variety of learning experiences in various formats, students will be introduced to skills and practices related to accounting. Students will:

- Demonstrate basic skills in solving financial problems using Microsoft Excel/Google Sheets.
- Calculate short- and long-term returns on various investments (e.g., stocks, bonds, mutual funds, IRAs, deferred pension plans, etc).

Through a variety of learning experiences in various formats, students will be introduced to skills and practices related to interpreting economic indicators. Students will:

- Assess the impact of inflation on economic decisions and lifestyles.
- Assess the business cycle dynamics in order to make investment decisions.
- Analyze markets and securities utilizing technical, fundamental and cyclical analyses.

Through a variety of learning experiences in various formats, students will be introduced to skills and practices related to recognizing the performance of certain asset classes. Students will:

- Understand the basic mechanics of the investment markets, risks and rewards, and the types of investments in sound and prudent investing.
- Explain the risk-return relationship and how it applies across asset categories.
- Differentiate between types of investments and compare advantages and disadvantages.

Through a variety of learning experiences in various formats, students will be introduced to skills and practices related to constructing and adjusting a portfolio. Students will:

- Describe types of brokerage accounts and the process for buying/selling securities.
- Demonstrate ability to track investments using research tools and the media
- Demonstrate basic skills in solving financial problems using Microsoft Excel.
- Summarize how investing builds wealth and assists in meeting long- and short-term financial goals.
- Assess factors that influence financial planning.

Discipline Standards of Practice:

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- Act as a responsible and contributing community member and employee.
- Attend to financial well-being.
- Consider the environmental, social and economic impacts of decisions.
- Demonstrate creativity and innovation.
- Utilize critical thinking to make sense of problems and persevere in solving them.
- Model integrity, ethical leadership and effective management.
- Plan education and career paths aligned to personal goals.
- Use technology to enhance productivity, increase collaboration and communicate effectively.
- Work productively in teams while using cultural/global competence.

Instructional Resources and Materials

Instructional and reference materials to support student learning in the disciplines of finance and economics are recommended by the Social Studies Department and are included in Units of Study outlines. Teachers may assign, recommend, and make available supplemental instructional resources and materials in the form of book excerpts, articles, essays, data-sets, video clips, maps, charts, photographs, art, music and web-based materials throughout the course.

The instructional materials vary in order to explore course content and essential questions while meeting the learning needs of students.

Exemplary Resources

- Apple News: Finance
- Barron's
- Bloomberg.com
- cnbc
- Field Trips to Investment Management Firms
- Guest Speakers from the Financial Services Sector and Business Community
- Investopedia
- Knowledge Matters: Virtual Business
- Morningstar PitchBook
- Movies/Documentaries
- New York Times
- nj.com
- S&P Capital IQ Platform
- Stock Market Game
- TAPInto Chatham
- Wall Street Journal
- Yahoo Finance

Assessment Strategies

Assessment is designed to measure a student's mastery of a course standard and learning objective.

Assessment can be used for both instructional purposes (formative assessment) and for evaluative purposes (summative assessment).

Teachers may choose to have students practice and demonstrate their understanding of concepts and performance of disciplinary practices through a variety of means that may include and are not limited to those listed below:

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- Discussion and dialogue in whole-class discussions.
- Discussion, dialogue and collaboration in small-group and paired conferences.
- Performative, project-based, activities such as live and recorded presentations, discussions, and debates.
- Project-based representations, drawings, digital infographics, image collages and sketched representations of definitions and concepts.
- Extended written research projects
- Spreadsheet models
- Written assignments such as business memoranda and reflections.
- Homework, quizzes and tests with traditional assessment tools such as short answers, identification questions and persuasive paragraphs.

Oral Exam

- Students will be responsible for all financial concepts and terms covered in class and will through a final oral exam at the end of the semester. Students will be presented with random questions to answer and may engage in trading opportunities to answer them (i.e., buying the opportunity to respond where they have high levels of confidence in their ability to answer and selling the opportunity to answer when they have low levels of confidence)