



## TEACHING UNIT

General Topic:	<b>Investing Money</b>
Unit Title:	<b>Making Investments</b>
Grade Level:	Grade 10
Recommended Curriculum Area:	Business Studies
Other Relevant Curriculum Area(s):	Social Science; Computer Studies



The Building Futures Project is sponsored across Canada by Investors Group. CFEÉ extends our appreciation to Investors Group for their generous support.

## Business Studies Curriculum Expectations

- evaluate the products and services offered by major Canadian financial institutions
- compare the benefits of saving with those of investing
- describe various types of investment alternatives available to individuals (e.g., GICs, stocks, bonds, mutual funds, ethical funds) and to businesses (e.g., capital investment, treasury bills, stocks)
- assess the factors that will affect the value of investments over time (e.g., compound interest, rate of inflation, diversification of portfolio)
- describe privacy and security issues related to information and communication technology (e.g., protection of credit card information, cookies, identity theft, spyware, cyber stalking)
- explain the importance of keeping information secure and confidential (e.g., through the use of passwords, encryption, biometric authentication, firewalls)

## Relevant Social Science Curriculum Expectations

- demonstrate effective speaking and listening skills in a small group
- analyze and demonstrate effective roles in small groups (e.g., chair, recorder)
- demonstrate collaborative problem-solving, conflict-management, and planning skills (e.g., responsibility of each member to carry his or her own weight, task analysis, division of labour, time management)
- demonstrate the ability to set achievable group goals and for each group member to make an equal contribution
- demonstrate an understanding of financial responsibility (e.g., banking, saving for purchases, long-term savings, managing debt)
- evaluate a new product, service, or technology for its ability to meet their own needs or the needs of their families

## Relevant Computer Studies Curriculum Expectations

A1.4 – assess user computing needs and select appropriate hardware components for different situations

A2.2 – assess user computing needs and select appropriate software for different situations

C3.1 – describe legal and ethical issues related to the use of computers

## Relevant Economic Expectations

- Different kinds of investments (stocks, bond, GIC, etc.)
- Factors that can affect the return on different investments
- The different kinds of risks associated with various investments
- The trade-off between risk and reward
- Importance of knowing your investment goals, preferences, and risk tolerance
- How investors can differ in terms of goals, preferences, and comfort with risk
- Concept of an investment portfolio
- The concept and advantages of diversifying investments
- Various frauds and scams that exist
- Where to find good information and advice

## Background Information

Students need to learn about the different kinds of investments, so that in the future, they will be able to build a portfolio to fit their goals, preferences and comfort level. They need to learn the advantages of diversifying their investments to reduce their risk. Learning about the kinds of frauds and scams that exist will help them avoid these pitfalls.

## Overview of the Unit

The unit is introduced by watching 2 episodes of the Economics of Seinfeld, which talk about investing. This is followed by a brief discussion about the pros and cons of investing. Next the class will participate in a Jigsaw activity that uses the internet to obtain information about the kinds of investments. After learning about diversification the students will read and complete a questionnaire about investing. Then each student will complete a quiz about how vulnerable they are to fraud. The last activity has the students review fraud and scam websites and report their findings to the class.

## Estimated Time Frame: 3 periods – 60 minutes each

## Suggested Implementation Strategy

### Period 1 – 60 minutes

- Write the word investing on the board and ask the class to define what investing means. (Simply put, it means putting your money to work for you.)
- Show the following 2 episodes of from the Economics of Seinfeld.  
 In the first one, Jerry’s stock declines and he loses his money. <http://www.youtube.com/watch?v=IkMdyWJ0-zc>  
 In the second episode Jerry talks about not investing his money. [http://www.youtube.com/watch?v=Z0FgnCSV\\_yU](http://www.youtube.com/watch?v=Z0FgnCSV_yU)
- Ask the class what are the pros and cons of investing.
- Tell the class that they will be using the internet and participating in a jigsaw activity to learn about different ways of investing and the pros and cons of each kind of investment.  
 Divide the class into 6 groups. Assign each group a topic listed below.
  1. Stocks
  2. Bonds
  3. Mutual Funds
  4. Savings Accounts and GIC’s
  5. Real estate and Collectibles
  6. Commodities (raw materials)
 Allow 20 minutes for groups to research on the internet what their investment is, how it works, and the pros and cons of this investment. They will become the experts.  
 In the same groups, the students number off 1–6 and meet with their new group.  
 (e.g. All #1s together, all # 2s together, all #3s together, etc.)  
 Allow 20 minutes for the experts to teach the others what they have learned about their investment.
- End the period by taking a poll of the class, asking for a show of hands. Now that they have some information about the kinds of investments, if they had \$1,000 to invest, where would they put their money? (in 1,2,3,4,5, or 6?)

**Period 2 – 60 minutes**

*Before the class begins, the teacher needs to make copies of the handouts.*

- Show the 2 cartoons to the class. (Handout 1)  
Ask the class how risk can be reduced when investing?
- Show the picture of the basket of eggs. (Handout 2)  
Ask what does diversity mean?  
Explain that in financial terms, diversity means not putting all your eggs in one basket.
- The teacher, or a volunteer from the class, reads the following:  
**What is diversification?** Diversification refers to the spreading of risk by placing assets in a variety of investment classes and in a broad range of investments within each class.  
**Why is diversification important?** Diversification decreases risk and reduces fluctuations in portfolio returns. Historically, the returns of the three major asset classes—stocks, bonds and cash—have not moved up and down at the same time. Market conditions that boost the value of one asset class can have a neutral or negative effect on other asset classes. For example, when stock prices fall, bond prices often rise because investors move money into what is considered a less risky asset class. Diversification can't reduce most risks related to war, terrorism and political instability, which affect markets as a whole. However, in general diversification protects portfolios from excessive losses by reducing the impact of downturns in particular asset classes or securities.
- Access online Chapter 13, of *Money and Youth* provided by CFEE (Canadian Foundation for Economic Education) at: <http://moneyandyouth.cfee.org/en/resources/thebook/section5.pdf> or hand out copies of the booklet that are available from CFEE  
In pairs, they are to read chapter 13 and complete the questionnaire. (Handout 3)

**Period 3 – 60 minutes**

*Before the class begins, the teacher may want to make a copy of the LIST OF FRAUD AND SCAM INFORMATION WEBSITES (Handout 4)*

- Cut them into strips, and put them in jar or hat, so the students can pick one.
- Tell the class that they will be taking a quiz to find out how vulnerable they are to frauds and scams at: <http://www.competitionbureau.gc.ca/eic/site/cb-bc.nsf/eng/00234.html>
- When they are finished the quiz, they choose a partner, pick a website, and access it. They will make a brief report about the website, (e.g. how the scams works.) They will critique the validity of information from this website ( e.g. who sponsors the site)?
- Students give their reports to the class.

**Possible Evaluations**

1. Assess the “experts” research and reporting to the groups.
2. Mark the Chapter 13 questionnaires.
3. Assess the Fraud /Scam reports.

**Follow-Up / Related Activities**

1. Use “The City,” an online teaching unit, as an alternate unit. Go to Module 8, “Investing.” – sponsored by the British Columbia Securities Commission <http://www.themoneybelt.gc.ca/theCity-laZone/eng/Ab-eng.aspx>
2. There are 2 lessons provided by Investors Education Fund about risk and return at: <http://www.getsmarteraboutmoney.ca/en/education-programs/for-teachers/curriculum-tools/fair-play/Documents/fair-play-investment-risk-products.pdf>

3. The students can make their own investment portfolio.
4. Students can play a virtual stock game at: <http://www.howthemarketworks.com/trading/trade.php>

## Modifications or Suggestions for Different Learners

- There are opportunities for everyone to contribute to the discussions and group activities. The teacher may pair students with others who may need assistance.

## Handouts

1. The Economics of Seinfeld episodes
2. Investment Cartoons/Pictures
3. Money and Youth article, CFEE and Questionnaire
4. List of Fraud/ Scam Websites

## Other Website Resources

1. [http://www.getsmarteraboutmoney.ca/tools-and-calculators/quizzes/quiz\\_fraud.htm](http://www.getsmarteraboutmoney.ca/tools-and-calculators/quizzes/quiz_fraud.htm) Another site that quizzes vulnerability to fraud.
2. <http://www.moneyinstructor.com/investing.asp>  
Money Instructor has created this website for kids as an introduction to investment. There are many lessons about money appropriate for grades 3-12: Some of the lessons are about stocks, bonds, interest, risk and return, return on investment, etc.
3. <http://library.thinkquest.org/3096/>  
This website is designed by kids for kids. It examines stocks, bonds, and mutual funds. It teaches the principles of saving and investing. It includes a stock game. It is sponsored by Oracle Thinkquest Educational Foundation
4. [http://www.practicalmoneyskills.com/resources/free\\_materials/index.php](http://www.practicalmoneyskills.com/resources/free_materials/index.php)  
This is an excellent site for teachers. They can download many modules, games DVD's and videos.
5. <http://www.makeuseof.com/tag/10-interactive-financial-websites-teach-kids-money-management-skills/>  
Future entrepreneurs can access this website for free lessons on finance and wealth creation. All lessons are taught by Toki using four financial games. Games are designed around levels from Kindergarten to Grade 12. For instance, Ima's "Pay Yourself First," teaches about using your money wisely.
6. <http://senseanddollars.thinkport.org/games/home.html>  
Here is a cool website that teaches kids about growing their money. It talks about how interest and time can grow your money. Different kinds of investments are explained, stocks and bonds, securities and mutual funds. It is sponsored by Maryland Public Television.

Handout 1



I think we should invest in wind energy now. After all, all our previous investments have gone with the wind anyway.

Brainstuck.com

Handout 2



**Handout 3**  
**Money And Youth Questionnaire**



NAMES: \_\_\_\_\_

1. What factors affect the risk/return balance point?

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2. How does investing affect the standard of living and the wealth of a society?

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3. Name the three forms of investments and list 3 examples of each.

a. \_\_\_\_\_ 1. \_\_\_\_\_

b. \_\_\_\_\_ 1. \_\_\_\_\_

c. \_\_\_\_\_ 1. \_\_\_\_\_

4. What tips have learned from reading this chapter that will help you build a good investment portfolio?

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**Handout 4**  
**List Of Fraud And Scam Information Websites**

1. <http://www.gov.mb.ca/finance/literacy/fraud.html>
2. [http://www.winnipeg.ca/police/TakeAction/frauds\\_scams.stm](http://www.winnipeg.ca/police/TakeAction/frauds_scams.stm)
3. [http://www.msc.gov.mb.ca/education/resources/dvd\\_guide.pdf](http://www.msc.gov.mb.ca/education/resources/dvd_guide.pdf)
4. [http://canadaonline.about.com/od/scams/Consumer\\_Scams\\_in\\_Canada.htm](http://canadaonline.about.com/od/scams/Consumer_Scams_in_Canada.htm)
5. <http://www.scambusters.org/kidsscams.html>
6. <http://www.fbi.gov/scams-safety/fraud>
7. <http://www.rcmp-grc.gc.ca/scams-fraudes/index-eng.htm>
8. <http://www.scamwatch.gov.au/content/index.phtml/tag/BankingOnlineAccountScams>
9. <http://www.lookstoogoodtobetrue.com/fraud.aspx>
10. <https://www.securities-administrators.ca/investortools.aspx?id=1008&linkidentifier=id&itemid=1008>
11. <http://www.stopfraud.gov/protect.html>
12. <http://www.antifraudcentre-centreantifraude.ca/english/recognizeit.html>
13. <http://www.consumerinformation.ca/eic/site/032.nsf/eng/home>
14. <http://www.cbc.ca/news/canada/manitoba/story/2011/12/23/mb-frauds-insurance-manitoba.html>