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LINKS IN THIS DOCUMENT:

[TOPIC 1 Exercise EMS-1-1-1-1 for Topic 1**](#)  [TOPIC 2](#)  [TOPIC 3](#)  [RESOURCES](#)  [QUOTES](#) 
[HOMEWORK](#)

* If prompted for a password, use the password that was emailed to you.

EMS-1-1-1-1 Means EMS **SEMESTER 1 **CLASS 1** **TOPIC 1** EXERCISE 1

WORKBOOK FOR ECONOMICS, MANAGEMENT & STRATEGY SEMESTER #1 & CLASS #1 (ALSO CALLED EMS-1-1***)

3 TOPICS COVERED IN THIS LESSON: (Brief Recaps in Brackets. Click the text to jump to the page in this workbook where we cover the Topics).

- 1** [EMS-1-1-1: WHY IS CASH A TERRIBLE INVESTMENT?](#) (Because we have no idea what the supply will be in the future as governments have a monopoly on money.)
- 2** [EMS-1-1-2: WHAT IS THE FUTURE OF MONEY?](#) (Cryptocurrencies will coexist with fiat [traditional] currencies.)
- 3** [EMS-1-1-3: HOW DO GOVERNMENTS INCREASE THE SUPPLY OF MONEY?](#) (By buying or selling bonds, which changes the interest rate in most countries.)

Please have this workbook open during the EMS-1-1*** lecture and fill in the blanks or answer the questions in this workbook when Chris asks you to do so during the live lesson (or during the replay of the live lesson). The homework for all lessons is always listed on the last page.

If you are watching a live version of this lesson, please let Chris explain the concepts and then we will have many opportunities for live Q&A when he mentions: “Does Anyone Have Any Questions?” You can also ask Chris questions about the concepts taught in this class during his weekly *For MBA Degree Program Students Only Weekly Q&A Webcast*, which is available at the following [link](#) using the following password (all lower case): first-class

Please note that after the class is finished, Chris will direct you where to go online in order to take a quiz based on the concepts taught in EMS-1-1. If you can’t watch this class live, then Chris’ team will have an edited [replay](#) of the lesson online within one hour after this class has ended. You can also access the unedited replay by clicking on the class video link for each class in our [MBA calendar](#) (password is in lower case as follows: first-class).

TOPIC 1 OF 3: EMS-1-1-1: Why is Cash a Terrible Investment?

Optional: Type your notes for Topic #1 in this box:

Optional: How can you apply what you have learned about Topic #1 today to enhance your career (or to make you happier and more successful in general)?

Optional: Type a question(s) below that you want to ask Chris on the live webcast about Topic #1. If you are watching the live webcast of this lesson, after Chris finishes discussing each Topic, he will say “Does anyone have any questions about Topic #1. At that point you can copy and paste the text that you type below into the YouTube message box to ask him a question. If you are not on the live webcast, you can also ask him your questions during the [MBA Only Students Office Hours Webcast](#) (the password for the webcast is all lower case: first-class). Before asking the question about Topic #1, please look at the first page of this document to see what he will discuss in Topic #2 and Topic #3 (in case your question will be addressed during Topic #2 and Topic #3). Thanks:

EXERCISE EMS-1-1-1-1: Why Is Cash A Terrible Investment?

QUESTION 1:

Complete this sentence by filling in the box:

The value of ANY investment is partially based on the

of that investment.

QUESTION 2:

Complete this sentence by filling in the box:

Investing in traditional paper based (also called *fiat*) currencies has been a terrible

investment because we have no idea how much

of that currency governments will print.

QUESTION 3:

Complete this sentence by filling in the box:

Before investing in private companies, public companies, real estate, commodities, stocks, collectables or any other asset class and before accepting a job at a start up with generous potential options, we should understand the underlying

characteristics of the investment opportunity.

QUESTION 4:

Complete this sentence by filling in the box:

When we consider portfolio diversification (meaning how much money to invest in one investment), we need to be cognizant of the

of shares that a company could create.

TOPIC 2 OF 3: EMS-1-1-2: What is the Future of Money?

Optional: Type your notes for Topic #2 in this box:

Optional: How can you apply what you have learned about Topic #2 today to enhance your career (or to make you happier and more successful in general)?

Optional: Type a question(s) below that you want to ask Chris on the live webcast about Topic #2. If you are watching the live webcast of this lesson, after Chris finishes discussing each Topic, he will say “Does anyone have any questions about Topic #2. At that point you can copy and paste the text that you type below into the YouTube message box to ask him a question. If you are not on the live webcast, you can also ask him your questions during the [MBA Only Students Office Hours Webcast](#) (the password for the webcast is all lower case: first-class). Before asking the question about Topic #2, please look at the first page of this document to see what he will discuss in Topic #3 (in case your question will be addressed during Topic #3). Thanks:

TOPIC 3 OF 3: EMS-1-1-3: How Do Governments Increase the Supply of Money?

Optional: Type your notes for Topic #3 in this box:

Optional: How can you apply what you have learned about Topic #3 today to enhance your career (or to make you happier and more successful in general)?

Optional: Type a question(R) below that you want to ask Chris on the live webcast about Topic #3. If you are watching the live webcast of this lesson, after Chris finishes discussing each Topic, he will say "Does anyone have any questions about Topic #3. At that point you can copy and paste the text that you type below into the YouTube message box to ask him a question. If you are not on the live webcast, you can also ask him your questions during the [MBA Only Students Office Hours Webcast](#) (the password for the webcast is all lower case: first-class). Thanks:

RESOURCES (OPTIONAL):

I recommend watching the movie *Too Big to Fail* in order to understand what took place in 2008.

Here is a link to the movie:

WILLIAM HURT | EDWARD ASNER | BILLY CRUDUP | PAUL GIAMATTI | TOPHER GRACE
CYNTHIA NIXON | BILL PULLMAN | TONY SHALHOUB | JAMES WOODS

MAIN STREET TOOK THE FALL. WALL STREET GOT THE CHECK.



THE TRUE STORY BEHIND THE 2008 ECONOMIC CRISIS.

[illegible]

Click the images (or titles) below to watch the YouTube videos:

[THE IDIOT'S GUIDE TO INTEREST RATES \(as explained by an idiot\)](#)



[How Does America Change Interest Rates?](#)



[Why Do Governments Break Up Monopolies?](#)



QUOTES:

"We know that advanced economies with stable governments that borrow in their own currency are capable of running up very high levels of debt without crisis."

[Paul Krugman](#)

"I don't know where the stock market is going, but I will say this, that if it continues higher, this will do more to stimulate the economy than anything we've been talking about today or anything anybody else was talking about."

[Alan Greenspan](#)

"Never spend your money before you have earned it."

[Thomas Jefferson](#)

"If all the economists were laid end to end, they would not reach a conclusion."

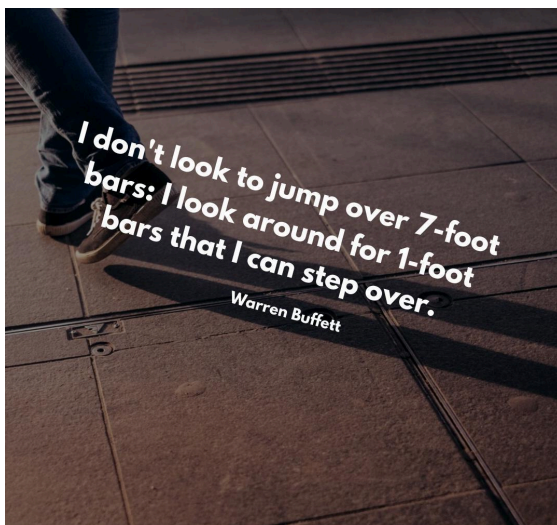
[George Bernard Shaw](#)

"The government's view of the economy could be summed up in a few short phrases: If it moves, tax it. If it keeps moving, regulate it. And if it stops moving, subsidize it."

[Ronald Reagan](#)

"Economic growth without social progress lets the great majority of people remain in poverty, while a privileged few reap the benefits of rising abundance."

[John F. Kennedy](#)



HOMEWORK

After this lecture, please complete the quiz associated with this lecture at this [link](#). Thanks