

### Investors Club: Lesson 4

Lesson objectives:		
<ul style="list-style-type: none"> <li>Define and illustrate the three major kinds of risk.</li> <li>Examine companies and determine the risk involved in investing in these companies.</li> <li>Interpret company and industry charts to determine which investments their SMG team should make</li> <li>Define diversification, risk tolerance, industry, index</li> </ul>		
Assessment:		
<ul style="list-style-type: none"> <li>Exit questions</li> </ul>		
Key Points:		
<ul style="list-style-type: none"> <li>Today students will learn how to select their investments. They'll learn about risk and risk assessment as well as how to diversify their portfolio to reduce risk.</li> </ul>		
Component:	Teacher & Student Actions	Materials
Do Now [5 min]	<ul style="list-style-type: none"> <li>Do Now: What do you think the saying "Don't put all your eggs in the same basket" means?</li> </ul>	Student journal or piece of paper
Mini-Lesson [10 min]	<ul style="list-style-type: none"> <li>What is Risk? Review a practice scenario to introduce concept of risk and then define the three types of risk with investment</li> </ul>	Slides
Guided Practice [10 min]	<ul style="list-style-type: none"> <li>Conservative, Moderate or Speculative risk? As a class, consider three scenarios and determine which level of risk it presents</li> </ul>	Slides
OPTIONAL: Guided/Independent Practice [10 min]	<ul style="list-style-type: none"> <li>To risk or not to risk? Students work through different scenarios on the handout to decide if the level of risk for the individual person. (risk tolerance in personal)</li> </ul>	<a href="#">Handout</a>
Mini-Lesson [10 min]	<ul style="list-style-type: none"> <li>What is Diversification? Introduce students to what diversification means and review some examples</li> </ul>	Slides
Guided Practice [15+ min]	<ul style="list-style-type: none"> <li>Time to research: As a team, start researching industries students are interested in by using financial search engines</li> </ul>	Slides, online financial search engines (this can be done on teacher computer)

		and shows on a board)
Closing [5 min]	<ul style="list-style-type: none"> <li>• Complete exit ticket <ul style="list-style-type: none"> <li>○ What advice would you give someone about diversification</li> </ul> </li> </ul>	Slides and a piece of paper for exit slip or journal
Differentiation Considerations:		
<ul style="list-style-type: none"> <li>• Group seating</li> <li>• Popcorn reading (can assign students parts of the reading and allow for review before reading out loud)</li> <li>• Working in groups allows for more remodeling</li> <li>• Groups can have extra teacher-support where needed</li> </ul>		

\*Lessons adapted from [The Stock Market Game](#)