

This is to be done individually or in partners. Use the links on my latest blog post for this (blogs.ubc.ca/lambusiness). Answer the following questions in your own words and hand in to Mr. Lam via lelam@sd43.bc.ca or physically. You may use additional resources to help you answer these questions but please do not copy and paste. Being able to answer these questions will provide you fundamental knowledge to become an investor. Marks will be based on whether each numbered item is fully addressed.

1. What is investing? What is the difference between investing and speculating?
2. What is a stock? What determines the prices of a stock? What is the difference between a common and preferred stock?
3. What is a bear market? What is a bull market?
4. What is a stock exchange? What is the difference between NYSE and NASDAQ?
5. What is diversification and what are its benefits?
6. What is the difference between investing a stock, an index fund, corporate bonds, and mutual funds?
7. What is a business model? Describe the business model of a company of your choice.



8. What is a competitive advantage? Identify the competitive advantage for a company of your choice.
9. What is an MD&A and where would you find an MD&A? What are three different kinds of information would you be able to obtain from reading an MD&A?
10. Create a chart with one row for each of the 8 ratios in the link "Simple Ratios", describe in each column its name, what each ratio shows, how it is calculated and why it would be important to an investor in analyzing a company.
11. In the same chart, find all 8 ratios for one of the companies you are invested in in the simulation and interpret the ratio's meaning (D-E ratio of 80% means company is highly leveraged etc.)
12. Describe "value investing" and identify the 6 criteria value stocks have to pass
13. What is fundamental analysis? What are the steps required to completing a fundamental analysis? (You should have at least ten steps)
14. In the stock picking strategies link, choose and briefly describe 3 different investing strategies and how it works. (Do not pick value investing or fundamental analysis)
15. How do you conduct a full Porter's 5 Forces analysis for a company?
16. How do you conduct a full SWOT analysis for a company?
17. Choose 3 macroeconomic factors and define them.