

FIRST ANNUAL YOUTH BUSINESS SUMMIT

**INVESTMENT
COMPETITION**



INVESTMENT COMPETITION

Virtual Stock Exchange

Purpose

The purpose of the Investment Competition using Virtual Stock Exchange is to give students a better understanding of trading strategies and portfolio management. As you compete, you will also learn a variety of financial instruments and their risks and rewards as they apply to asset management.

Competition Overview and Goals

Acting as a prospective portfolio manager for TROY clients, your potential clients have entrusted you with \$100,000 to invest at your discretion for a period running from today until May 3rd.

They are expecting you to invest their money wisely and profitably. While your clients desire a high rate of return, their tolerance for risk is considered medium.

Additionally, your prospective clients are considering other asset managers (competing teams) and will be ranking each according to the success of their portfolio management. You will be able to track how you are measuring up throughout this competition.

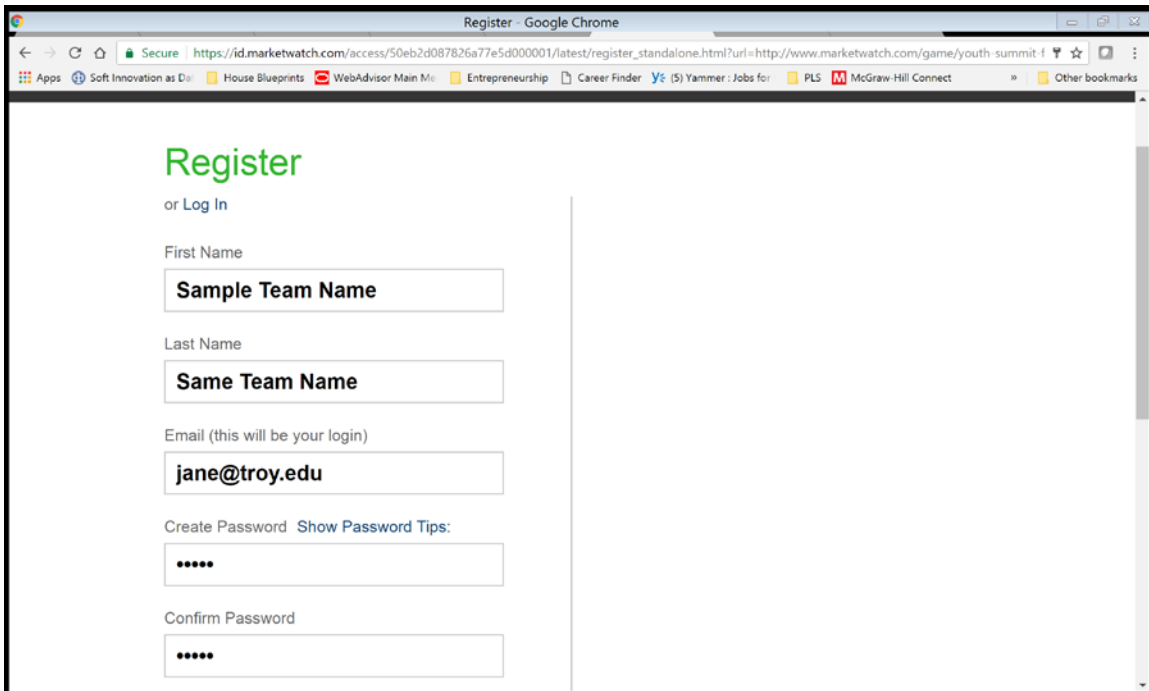
At the end of the trading period, your goal is to make your clients satisfied with your performance managing their portfolio.

Specifically, they are concerned about the following criteria:

- **Returns**
 - **Absolute return:** The total dollar increase in the portfolio over the trading period
 - **Risk-adjusted return:** The return on the portfolio taking into account the level of risk assumed by you, as measured by the *Sharpe Ratio*

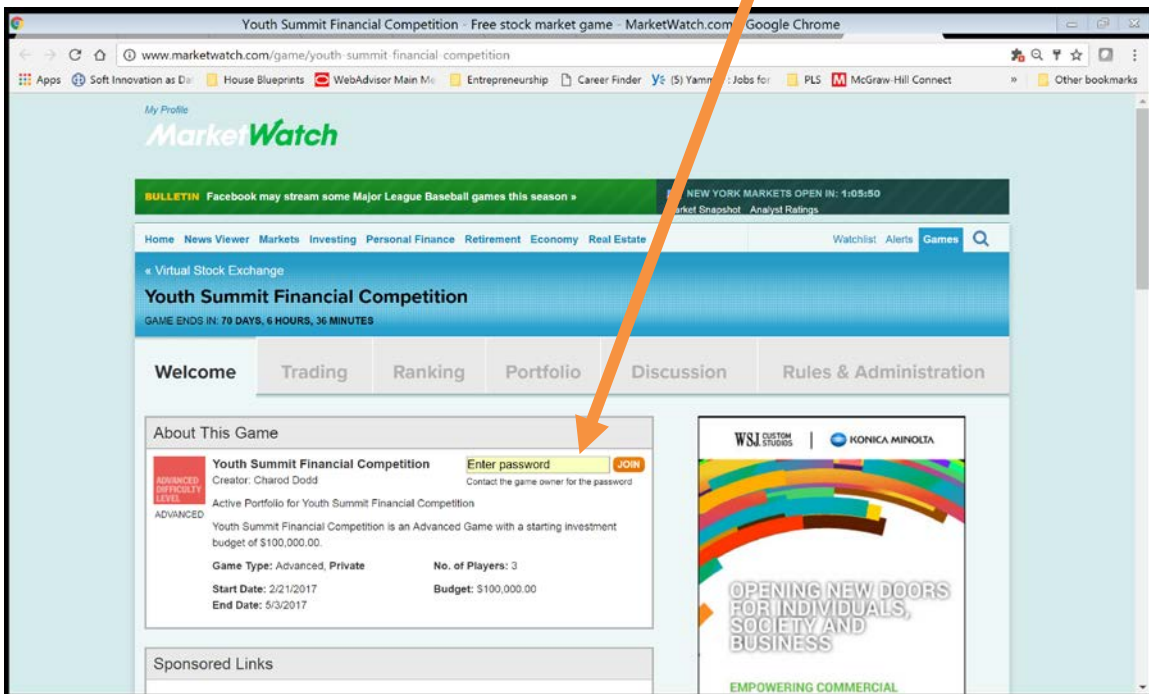
Registration

1. To register your team account, go to www.marketwatch.com/game/youth-summit-financial-competition
2. Register for a new account by creating a login and password (your team creates this unique password) to access the competition. Just one registration per team.

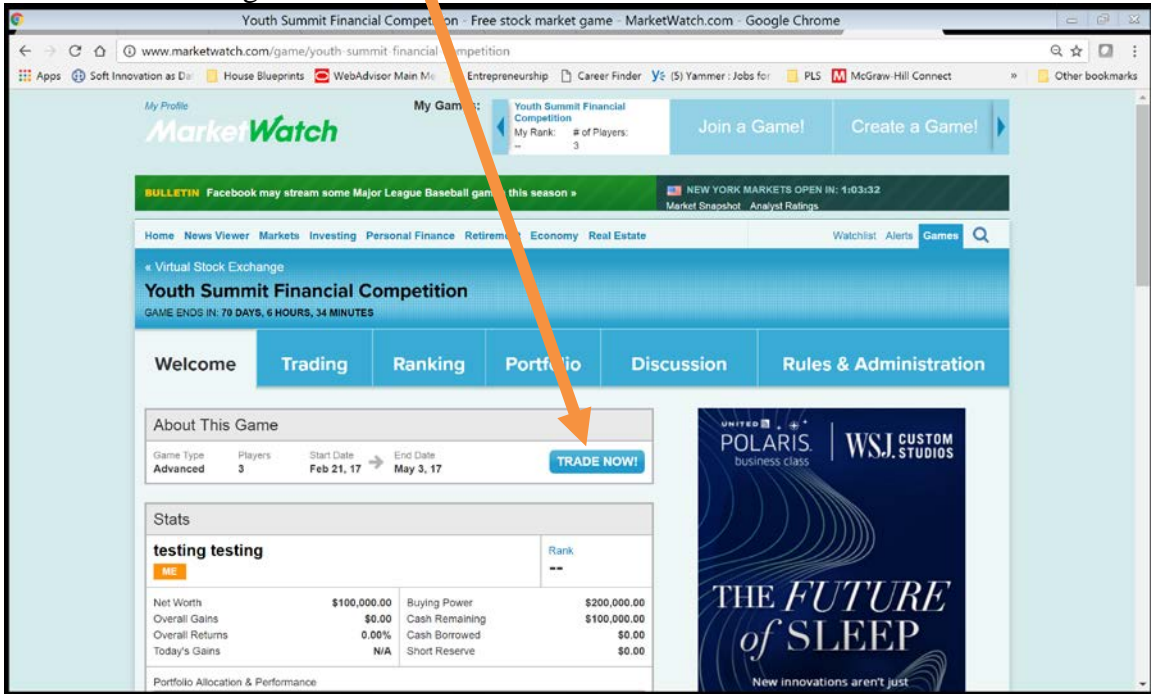


Registration is **free**.

3. Check your e-mail and verify your e-mail address. If you do not see the verification e-mail, check the junk folder.
4. Open a browser and go to www.marketwatch.com/game/youth-summit-financial-competition
5. **Enter the competition password: youth summit**



6. Start trading. Good luck!



Schedule

Date	Event
2/22/17	Competition is open. Virtual Stock Exchange open trading. As soon as students receive their packets, they may register and begin trading. Teams can join the competition at any time during the period in which the game is open – 2/22/17 to 5/3/17.
2/22/17-5/3/17	Virtual Stock Exchange trading
5/3/17	Trading ceases at the close of the market
5/4/17	Youth Business Summit at Troy University, Dothan Campus <ul style="list-style-type: none"> • Teams are encouraged to bring their transaction analysis documents and attend a debriefing workshop. • Winners will be announced. Awards will be presented to the top three ranking teams.

Investment Competition Rules and Constraints

- Students at each participating school will form teams consisting of no more than five (5) students each. How each team divides responsibilities will be up to its student participants. We are soliciting only one team per school, but a school may admit more than one team.
- Teams are encouraged to document their transactions using the Transaction Analysis handout – see Appendix A.
- Additional competition settings - Overview Details Active Portfolio Guidelines – see Appendix B.

Transaction Analysis

Teams are encouraged to document their transactions using the Transaction Analysis handout – see Appendix A. Completing this document after each transaction will inspire students to consider, to a greater extent, the impact of their trades. We encourage teams to bring these documents to the Youth Business Summit on May 4th as a financial advisor will be available to debrief the students on various investment strategies and discussions about their stock picks. At the Summit they will also learn what causes stock prices to fluctuate, understand and apply various financial asset valuation models, and understand economic influence on stock performance. All of these items allow and present an understanding of the financial markets, risk, economy, which results in better investment decisions.

Sources of Information for Investment Competition Teams

Sources that you may find to be particularly valuable for your research include:

- MarketWatch: <http://www.marketwatch.com/>
- Wall Street Journal: www.wsj.com
- Yahoo Finance: finance.yahoo.com
- Daily Treasury Yield Curve Rates: <http://www.treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=yield>

Questions to Consider

- Which positions exceeded your expectations? What conditions caused this?
- Which positions underperformed for you? What factors created the performance gap?
- What are the key things you learned from your Virtual Stock Exchange experience?
- How will your Virtual Stock Exchange experience influence your personal investing in the future

—APPENDIX A—
TRANSACTION ANALYSIS

Transaction Analysis

COMPANY _____

COMPANY SYMBOL _____

DATE		
TRANSACTION	Buy Sold Short (open)	Buy Sold Short (close)
PRICE PER SHARE		
SHARES PURCHASED		
TOTAL TRANSACTION VALUE		

HOLDING PERIOD _____

TRANSACTION GAIN (LOSS) _____

EXPLANATION – OPENING TRANSACTION

EXPLANATION – CLOSING TRANSACTION

EXPLAIN WHAT YOU LEARN FROM THIS TRADE

—APPENDIX B—
OVERVIEW DETAILS

Overview Details Active Portfolio Guidelines

Dr. Charod Dodd
Start Date: 02/22/2017
End Date: 5/3/2017

Game Link: www.marketwatch.com/game/youth-summit-financial-competition

Tagline: Active Portfolio for Youth Summit Financial Competition

Password: youth summit

Available for Trading: All Symbols can be traded.

Privacy Options

- This is a Private game.
- Player portfolios are Public.

Portfolio Details:

Starting balance for players:	\$100,000.00
Commission level:	\$10.00
Credit interest rate:	0.50%
Debt interest rate for leverage:	7.00%
Minimum stock price:	\$5.00
Maximum stock price:	\$500000.00
Trade volume Limitation:	10.00%
Short Selling	Enabled
Margin Selling:	Enabled
Limit Orders:	Enabled
Stop Loss:	Enabled
Partial Shares	Disabled