

Lesson 14

Chapter 1: Investing concepts

Recommended course: Career Studies, Grade 10, Open

Recommended course code: GLC20

Strand: Data management

Topic: Investment risk and return

Time: One 75-minute period



Curriculum Connections

OVERALL EXPECTATIONS:

- C2. Budgeting and financial management: Demonstrate an understanding of responsible management of financial resources and of services available to support students' financial literacy as they prepare a budget for their first postsecondary year.

SPECIFIC EXPECTATIONS:

- C2.1 Describe fundamentals of financial responsibility, assessing the benefits of a variety of savings options and exploring planning tools available through financial institutions and other avenues.

21ST CENTURY/GLOBAL COMPETENCIES:

- Digital literacy: Selecting and using appropriate digital tools to collaborate, communicate, create, innovate and solve problems.
- Critical thinking and problem solving: Detecting patterns, making connections and transferring or applying what has been learned in a given situation to other situations, including real-world situations.
- Communication: Effectively conveying ideas, information and data through various mediums, including written, oral and visual communication.
- Collaboration and teamwork: Students learn from others and contribute to their learning as they co-construct knowledge, meaning and content.
- Financial literacy: Understanding basic financial concepts and the ability to make informed financial decisions.

Assessment and evaluation

Assessment/success criteria:

- Students will apply their knowledge of the relationship between risk and return by teaching these concepts to others and assessing the potential risk and return of different asset classes and portfolio allocations.

Assessment tools: (Assessment FOR/AS learning)

- Questioning.
- Observation.
- Presentation.
- Debate.

Prior learning

Prior to this lesson, students will have an understanding of

- the difference between saving and investing
- basic asset classes, including cash, equities, bonds, crypto and real estate
- the importance of setting goals and time horizons

Instructional strategies

- Direct instruction.
- Teacher modelling.
- Small group work.
- Class discussion.
- Presentation.
- Scaffolding.
- Questioning.
- Debate.

Materials and resources

- Computer, speakers, classroom digital video projector, internet access.
- Video: Risk and return expectation.
- Whiteboard and markers, chalk and chalkboard or equivalent.
- PowerPoint Presentation: Risk and Return Expectations
- Student handout.
- Student devices, classroom computers or shared computers, tablets, laptops, etc.



MINDS ON (15 minutes)

1. Briefly explain to students about horse racing odds and payouts using this example:
 - If you make a winning \$2 bet on a horse that has odds of 2-1, you will profit \$4 ($\$2 \times 2 = \4).
 - If you make a winning \$2 bet on a horse with 5-1 odds, you will profit \$10 ($\$2 \times 5 = \10).
2. Ask students, "What's the relationship between the horse's odds and the payout?"
Ask students, "How does this relate to investment risk and return?"

Note: All instructions, along with visual aids, will be explained by the teacher and also presented visually on PowerPoint slides.

ACTION (20 minutes)

1. Review briefly what students understand by the terms "risk" and "return."
2. With the aid of the PowerPoint, review the concept of investment risk as uncertainty, or the possibility of losing money, and return as the profit or gain earned from an investment.
3. Watch the Money Gains video Risk and return expectation
4. Activity 1: Jigsaw activity
 - Students form groups of four.
 - Each student is responsible for answering two of the questions below (ten minutes).
 - i. What is the relationship between risk and return?
 - ii. Why is it important to match your risk with your investment time horizon?
 - iii. Rank asset classes in order from least to most risky: cash, government bonds, stocks, real estate.
 - iv. What is diversification, and why is it important?
 - v. Give an example of how not diversifying can cause you to lose more of your investment.
 - vi. Fill in the blank: Don't put _____ your _____ in one _____.
 - vii. What does it mean to have a portfolio that is 60% fixed income and 40% equities?
 - viii. If you have a low risk tolerance, what might be a suitable portfolio allocation for you (in terms of fixed income and equity)?
5. Have students reconvene as a group and share their responses.



CONSOLIDATION AND CONNECTION (30 minutes)

Group activity:

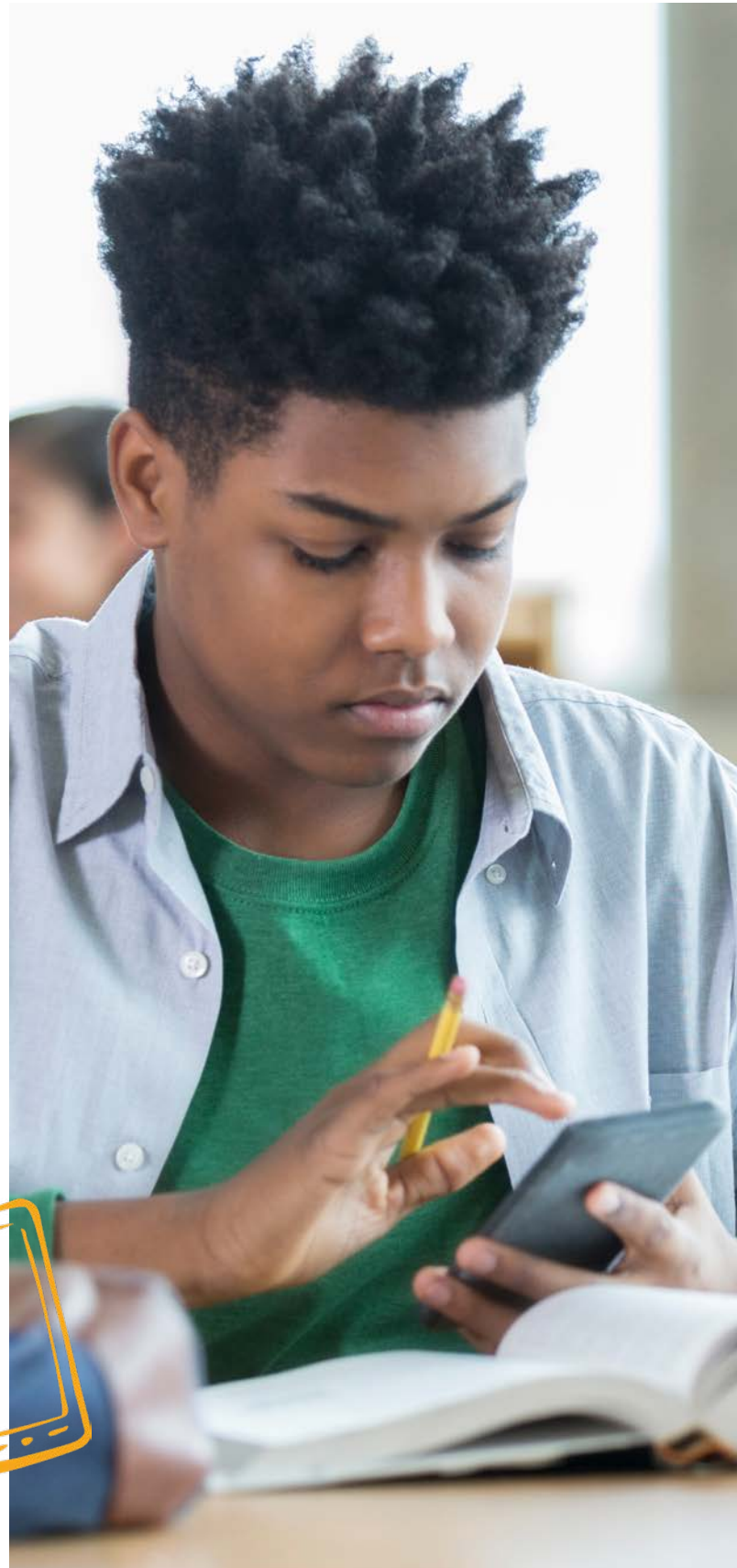
1. Students will remain in groups of four.
2. Ask students to choose four products or services that they use or consume every day.
3. Research to find out if the companies producing them are publicly traded on a stock exchange (TSX, CAC Paris, Dow Jones, Singapore).
4. Speculate about the level of risk that each stock carries, based on criteria such as demand for product, industry, strength of business, performance history, profits, etc.
5. Group members share their findings, and each student completes the table below (this can be completed digitally, or on paper, chart paper, or mini whiteboards).

Product	Company	Risk level	Justification	Would you invest?

6. Each group member should share whether or not they would invest in each stock, based on individual risk tolerance and investment timelines.

Accommodations

- Students can be supported throughout these discussions through teacher prompts.
- Differentiated instruction:
 - Content will be provided auditorily and visually.
 - Differentiation through letting students choose which products to investigate during the Minds on, and which companies to analyze and how to present their findings.
- Provide organizers/notes: Students will be provided with a handout with the questions related to the video, and the investment scenarios, including visual aids and an anchor chart for how to perform a risk assessment.
- Chunking/scaffolding: The teacher will model how to perform risk analysis.
- Students with anxiety about presenting may be accommodated by either presenting from their seat or presenting privately to the teacher.
- Peer learning partners: Strategic heterogeneous grouping (grouping students of various abilities) will help to better encourage conversation and collaborative learning skills as they help and advocate for each other in understanding and communicating their ideas.
- Extra time/adjust pace:
 - Students can complete the task for homework if needed.
 - The teacher can be available for extra help.



References

The Ontario Curriculum: Career Studies, Grade 10, Open (GLC2O) – Guidance and Career Education. Advance Release of Curriculum. (n.d.). Ministry of Education. Retrieved December 26, 2023, from <https://www.edu.gov.on.ca/eng/curriculum/secondary/career-studies-grade10.pdf>

Program Planning. (n.d.). Curriculum and Resources. Retrieved December 17, 2023, from <https://www.dcp.edu.gov.on.ca/en/program-planning/transferable-skills>

21st Century Competencies: Foundation Document for Discussion. (n.d.). Council of Ontario Directors of Education. Retrieved December 17, 2023, from http://www.ontariodirectors.ca/CODE-TLF/docs/tel/21_century_appendixC_only.pdf