

As much as I dislike the idea of this exercise, we're going to track a sample portfolio of stocks or bonds. (It's one of the requirements of the course.¹ I don't like the idea because it encourages and condones short-term thinking. Show me your results over five to ten years, not four months! But since we only have a single semester, I guess it's the best we can do.) However, we haven't even covered mutual funds in detail yet, let alone individual stocks or bonds. And we certainly don't want to spend a ton of time learning how to create and track a portfolio of stocks or bonds before we even cover stocks or bonds in detail. (Talk about putting the cart before the horse!)

Therefore, we will create and track a portfolio of stocks together. As a class, we will choose between five to ten or more stocks or bonds. We will diversify across industries. If you have some intimate knowledge of a specific industry and the various companies in that industry, by all means, suggest a company or companies that you believe will outperform the market over the next three months. Our class will start with \$100,000. We do not have to utilize the entire \$100,000; we may keep a certain percentage of our portfolio in cash. We'll assume the cash will be in a money market account earning 0.5%.

Company	Industry	Number of Shares	Initial Price	Initial Investment
Total:				

We will be allowed to alter our portfolio once per month. We will use Yahoo! to keep track of our portfolio.

¹ "Student will . . . select, evaluate, and monitor a diversified portfolio of securities . . ."
Southwestern College Course Outline for BUS-123, Introduction to Investments