

Week #17 – Margining and Shorting – Other Investment Alternatives – Preparing for the Final Exam

Welcome to our last week of instruction for the Spring 2013 semester! How are the last sections coming along? Anybody ready to go out and start gambling, uh, I mean speculating in options & futures? Now that you have learned how to lose a great deal of money speculating in options and futures contracts, we are going to help you lose even more by learning how to buy on margin and how to short stocks! We are also going to discuss brokerage firms and accounts. Why? Because ya's gots t' puts yer money somewhere, right? Or do you? Actually, you can forego brokerage firms entirely. Do you remember our discussion of Dividend Reinvestment Plans, a.k.a DRIPs? We will revisit them in chapter 2. Please get started on chapter #2, brokerage firms and brokerage accounts, buying on margin, and shorting stocks. Please remember that none of the calculations from the options, buying on margin, and shorting stocks worksheets will be on the final exam. Along with the margining and shorting, this last week, there are a few very brief lectures on retirement accounts, real estate, gold and precious metals, art, etc. There will be a few very easy questions on the final regarding these topics. There will be no calculations from any of the above material on the final. Repeat, there will be no calculations on the final on any of the above topics.

Our last task will be the final exam. It will cover the last few chapters (since the last exam) on the above material in detail with specific questions. It will also cover the entire semester. However, those questions will not be detailed; they will be very general. There will also be some calculations and short essay. There is a pre-final worksheet with questions that should look very much like the calculation questions on the final (hint, hint, hint). Here is your last chance to learn how to use the Discounted Cash Flow Model, the Constant Perpetual Dividend Growth Model, and the bond pricing valuation models! The final exam will be available starting Friday, May 17th, until Wednesday, May 22nd, at 11:55 p.m. ***Do not wait until the last minute to take the final!***

Finally, there will be a [Discussion Forum] that will allow you to submit a Student Evaluation of the class. Please post **anonymously**. A copy of the Student Evaluation will also be attached to the e-mail version of this announcement as an attachment. (I do not view the evaluations until the grades have been submitted to the college.) Please post your evaluation of the class, the web site, the instructor, the material – whatever! – in this discussion forum. You could also submit a paper evaluation anonymously in my mailbox in room 470k. These evaluations are helpful to me. (Oh, yeah, my apologies in advance for Blackboard.) Also, if you are happy with your experience, please consider posting a review on www.ratemyprofessors.com. Of course, if you are unhappy with your experience, please contact me directly! I value all comments, no matter how critical.

Please stay in touch and tell me how your investing career is going. I love hearing about your successes *and* your failures. (But we sincerely wish you many more successes than failures! Follow our advice and you should have more successes than failures but we can't guarantee anything!) *Thank you all for a great semester!* And, oh, yeah, I almost forgot: Don't Give Up! ***Never*** Give Up!

Sincerely,

Frank Paiano

P.S. The final exam will be available starting this Friday, May 17th, until Wednesday, May 22nd. Any late assignments will be accepted up until Tuesday, May 21st. *Thank you all for a great semester!*