

As much as I dislike the idea of this exercise, we’re going to track a sample portfolio of stocks. (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. And we certainly don’t want to spend a ton of time learning how to create and track a portfolio of stocks before we even cover stocks in detail. (Talk about putting the cart before the horse!) The portfolio will be dated back to the first day of class.

Therefore, we will create and track a portfolio of stocks together. As a class, we will choose ten stocks. 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 four 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 0.1%.

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. Please feel free to create your own portfolio and you can see how well you do versus the class portfolio.

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