

Guidelines for Term Project (I): Investment Simulation

- As part of the course requirements, you will use a stock market simulator program to be purchased from Stock-Trak (www.stocktrak.com). The program cost \$23.95 per account for 12-week trading simulation and the College does not pay for you. Please key in the promotional code **BK0707** when you sign up to get \$5 discount.
- The simulation will be a team work, with 3-4 students in each group. Each group will share an account. As your group registers, an account numbers, E95101, E9510,,..... through E95120 will be assigned consecutively.
- You will start out with \$100,000 cash at your disposal. Your emphasis is on the trading of stocks, bonds and funds, but you may trade options and futures as well. Any un-invested amount will be automatically held in a standard money market account.
- During the course of the trading period, February 4 (Monday) - April 25 (Friday), you will have to engage in *at least one buy or sell transaction per week*; a passive strategy is not acceptable. You may want to use the "Research Desk" button when you log into your account to find how to *screen* stocks for your investment. At the end of the investment simulation, each group will be ranked according to the portfolio value in your account.
- Please go to Stock Trak web page at <http://www.stocktrak.com/tradingrules.php> and print out the registration materials/trading rules. Following the "Read Rules" link in the left hand column of the home page directs you to the same link.
- To assist your investment simulation, each group shall be responsible for making one presentation on market recapitulation. The presentation should include the latest market performance/trend/change, best/worst performers in the stock market, important events that may affect stock or bond prices, e.g., government monetary and economic policy, important corporate announcements (and any other insights and tips that may be useful for our investment). You can find the related information from the *Wall Street Journal*. Each group will give the presentation at the beginning of Thursday's class for 5 to 10 minutes, according to your account number (I will send you email a week before your presentation for you to prepare). You should prepare no more than 10 PowerPoint slides for this presentation. In addition to the market recap, your slides should also include your group member's name, your transaction history in that week and your summary of your investment performance.
- Since it is a group project, each member should contribute to his/her group (I will ask group members to evaluate other members' contribution in this joint project at the end of the semester). I wish you get the maximum experience from this class.
- If you have any questions, please contact Stock Trak.