**Investment Models Formal Assessment**

* **Asset Allocation Scenarios Assignment #1** – Given the following three scenarios, create a pie chart foreach displaying your recommendation for investment in different types of securities based upon the needs presented in each scenario. You may use spreadsheet software to create the pie charts or create them on poster board, clearly displaying each scenario, clearly‐labeled investments and percentages, and a paragraph summarizing your rationale for each scenario’s asset allocation. Following are the scenarios: 1) John is in his twenties, moderate income, single, very little in the way of assets, does not mind taking risks, 2) Mary has only a few years until she retires, has a high value of assets (house, cars, money to invest), but prefers safer (less risky) investments, 3) Ben is in his 40s, has a small amount of assets (car, electronics), and prefers a good balance between risky and conservative investments. Your pie charts will address percentages for cash, bonds, mutual funds, and stocks of large‐, mid‐, and small‐cap companies.
* **Asset Allocation Timeline Assignment #2** – In pairs students are to create a timeline for every tenyears of life, from 20 to 60. They will add the different levels of risk tolerance for what they believe is typical for each time period. Then they will provide a short‐term and long‐term financial goal for each period on the timeline. They should include a graphic or some sort of visual for each of the goals listed. Then they will provide one investment for each of the time periods that is appropriate for the time period and financial goals. They may do this on a word processing document or on flipchart paper.
* **Investment Strategy Brochure Assignment #3** – Students will create a six‐panel brochure in a wordprocessing program from the point‐of‐view of someone who is instructing another student about the different pricing models. The student should include sections about beta and what it means, major points about the different models, including who created the models, pros and cons for each model, and a section about what the student has learned about risk so far. Examples of each model can also be included. This assignment will require Internet research to increase understanding. The brochure should look professional when completed.