



Kot Bhalwal, Jammu



Model Institute of Engineering
& Technology (Autonomous)
Dr. Arun K. Gupta Teaching-Learning Centre

Department of Commerce

Details of Lesson Plan

S.No.	Particulars	Details
1.	Course Name	Investment Analysis and Portfolio Management
2.	Course Code	BCMMJ-503
3.	Academic Year	2024-25
4.	Semester	V
5.	Number of Lesson plans	8
6.	Faculty Assigned	Ms. Paramdeep Kour

Paramdeep Kour

Faculty
Signature



Version 1.1



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Lesson Plan No. 1.1	Course Name: Investment Analysis and Portfolio Management Topic: An Overview of Investment	Course No.: BCMMJ-503
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Objectives	At the end of the lesson the student shall be able to: <ol style="list-style-type: none"> Understand the fundamental concepts of investment. Identify various types of investment alternatives. Recognize the importance of making informed investment decisions.
Teaching Aids (if any)	<ol style="list-style-type: none"> ICT Images of different investment types
Teaching Development	<ol style="list-style-type: none"> Introduction (5 minutes) <ul style="list-style-type: none"> Explain that today's lesson will cover the basics of investment, its different forms, and the importance of understanding various investment alternatives. Development (30 minutes) <ol style="list-style-type: none"> Define investment and explain its purpose. <ul style="list-style-type: none"> Define investment as the commitment of funds to assets to generate future returns. Briefly discuss the purpose of investment (e.g., wealth creation, safety, liquidity). Explain the importance of understanding different investment alternatives. Investment Alternatives <ul style="list-style-type: none"> Equity: Stocks and shares in companies, explaining the potential for high returns but higher risks. Fixed-Income: Bonds, debentures – lower risk, steady returns. Real Estate: Physical property investments – potential for high returns, requires significant capital. Commodities: Gold, silver, oil – used for hedging against inflation, volatile. Mutual Funds: Pool of money invested in diversified assets, reducing risk for investors. Derivatives: Futures, options – high risk, speculative investments. Savings Accounts/Term Deposits: Low-risk options for safety and liquidity, low returns. Alternative Investments: Venture capital, private equity, hedge funds – higher risk, high potential for returns. Exercise (5 minutes) <p>One-minute paper: Students will write down the key differences between equity and fixed-income investments and why someone might choose one over the other.</p>



Closure	<ol style="list-style-type: none">1. Summarize: Recap the learning outcomes: Definition of investment, key investment alternatives, and their characteristics. Reaffirm understanding by asking the class what factors they would consider when selecting an investment.2. Suggested Reading: Ref. Book 1, Ch.13. Homework: Write a 300-500 words reflective essay on which investment alternative would be most suitable for someone saving for retirement, and why <p>Spend 5 minutes to wrap up and consolidate the learnings.</p>
Evaluation	<ol style="list-style-type: none">1. Reflective Questions<ol style="list-style-type: none">a) What are the key differences between equity and fixed-income investments?b) How does risk influence investment decisions?2. Discussion: Discuss the challenges of choosing between high-risk and low-risk investments and how they align with an investor's goals. <p>Spend 5 minutes to evaluate student assimilation of the lesson contents.</p>

Lesson Plan No. 1.2	Course Name: Investment Analysis and Portfolio Management Topic: Attributes of Investment	Course No.: BCMMJ-503
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Objectives	At the end of the lesson the student shall be able to: <ul style="list-style-type: none"> a. Understand the key attributes of investment. b. Analyze how these attributes affect investment decisions. c. Apply knowledge of investment attributes to evaluate different investment options.
Teaching Aids (if any)	<ul style="list-style-type: none"> • ICT- Visual aid to highlight key attributes of investment, with examples of different investment types.
Teaching Development	<ol style="list-style-type: none"> 1. Introduction (5 minutes) <ul style="list-style-type: none"> - Ask questions. <ol style="list-style-type: none"> a. What are the primary reasons people invest? b. What factors would you consider before making an investment? c. What do you think are the main characteristics of a good investment? 2. Development (30 minutes) <ol style="list-style-type: none"> a) Key Attributes of Investment <ul style="list-style-type: none"> - Risk: The potential for loss or gain. Discuss different risk levels in various investments (equity, bonds, real estate, etc.). - Return: The expected profit or loss from an investment. Explore how different investments offer varying returns based on their risk. - Liquidity: The ease with which an investment can be converted into cash. Explain how liquidity affects investor choices, using examples like real estate (low liquidity) vs. stocks (high liquidity). - Time Horizon: The duration an investor expects to hold an investment before taking the returns. Discuss short-term, medium-term, and long-term investments. - Safety: Refers to the preservation of the invested principal. Talk about how some investments (like government bonds) are considered safer than others (like equities). - Tax Implications: Explain how tax efficiency plays a role in investment decision-making. - Income Generation: Some investments generate regular income (e.g., dividends from stocks, interest from bonds). Discuss how investors might choose investments for income vs. capital appreciation. b) Examples of How Attributes Influence Investment Decisions <ul style="list-style-type: none"> - Scenario 1: A risk-averse investor choosing between bonds and stocks.



	<ul style="list-style-type: none">- Scenario 2: An investor with a short-term goal deciding between a savings account and real estate. <p>c) Impact of Investment Attributes on Portfolio Management</p> <ul style="list-style-type: none">- Explain how understanding these attributes helps in creating a balanced portfolio, aligning with individual risk tolerance and financial goals.- Discuss how these attributes influence diversification strategies in portfolio management. <p>3. Exercise (5 minutes)</p> <ul style="list-style-type: none">- One-minute paper: Students will write down two key attributes of investment they consider most important and explain why.
Closure	<ol style="list-style-type: none">1. Recap the key attributes of investment (risk, return, liquidity, etc.).2. Reaffirm students' understanding by asking how they would prioritize these attributes in different investment scenarios.3. Suggested Reading Ref. Book 1, Ch.1 Homework<ul style="list-style-type: none">- Write a 300-500 words reflective essay on which investment attributes are most important for a retirement plan and why. Spend 5 minutes to wrap up and consolidate the learnings.
Evaluation	<p>1. Reflective Questions:</p> <ul style="list-style-type: none">- What is the difference between risk and return in an investment?- How do liquidity and time horizon influence investment decisions? <p>Spend 5 minutes to evaluate student assimilation of the lesson contents.</p>

Lesson Plan No. 1.3	Course Name: Investment Analysis and Portfolio Management Topic: Investment Avenues	Course No.: BCMMJ-503
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Objectives	At the end of the lesson the student shall be able to: <ol style="list-style-type: none"> Identify and differentiate various investment avenues. Understand the key differences between investment and speculation. Analyze the risks and returns associated with different investment avenues.
Teaching Aids (if any)	<ul style="list-style-type: none"> ICT (Visual aid to highlight key investment avenues and their characteristics.)
Teaching Development	<ol style="list-style-type: none"> Introduction (5 minutes) <ul style="list-style-type: none"> Define investment avenues as the various options or vehicles available for investors to park their funds to achieve future financial goals. Explain how different avenues suit different financial objectives, risk tolerances, and time horizons. Development (30 minutes) <ol style="list-style-type: none"> Categories of Investment Avenues <ol style="list-style-type: none"> Equity Investments Fixed-Income Investments Real Estate Commodities Mutual Funds Derivatives Bank Products Alternative Investments: <ol style="list-style-type: none"> Venture capital Private equity – high risk but potential for high rewards. Comparison of Investment Avenues <ul style="list-style-type: none"> Discuss how risk, return, liquidity, and time horizon vary across different avenues. Discuss suitability for different investor profiles (conservative, moderate, aggressive). How to Select an Investment Avenue <ul style="list-style-type: none"> Factors to consider: <ol style="list-style-type: none"> Risk tolerance Time horizon Financial goals Liquidity needs Tax implications Exercise (5 minutes)



	<p>One-minute paper: Students will write down which investment avenue they would choose for a retirement plan and why.</p>
Closure	<p>1. Summarize:</p> <ul style="list-style-type: none">- Recap the key investment avenues and their characteristics (equity, bonds, real estate, commodities, etc.).- Ask students to share which avenues they think suit short-term vs. long-term financial goals. <p>2. Suggested Reading: Ref. Book 1, Ch.1</p> <p>3. Homework: Write 300-500 words essay on how an investor can use multiple investment avenues to build a diversified portfolio.</p> <p>Spend 5 minutes to wrap up and consolidate the learnings.</p>
Evaluation	<p>1. Reflective Questions:</p> <ul style="list-style-type: none">- What are the primary differences between equity and fixed income investments?- How does real estate compare to commodities as an investment avenue? <p>Spend 5 minutes to evaluate student assimilation of the lesson contents.</p>

Lesson Plan No. 1.4	Course Name: Investment Analysis and Portfolio Management Topic: Investment vs. Speculation	Course No.: BCMMJ-503
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Objectives	At the end of the lesson the student shall be able to: <ul style="list-style-type: none"> a. Understand the key differences between investment and speculation. b. Analyze the risks and potential rewards associated with both approaches. c. Evaluate the role of investment and speculation in financial markets.
Teaching Aids (if any)	<ul style="list-style-type: none"> • ICT- Visual aid to differentiate investment from speculation and illustrate key characteristics.
Teaching Development	<ol style="list-style-type: none"> 1. Introduction (5 minutes) <ul style="list-style-type: none"> - Ask questions to gauge prior knowledge: <ul style="list-style-type: none"> - What do you think is the difference between investing and speculating? - Can you give examples of investment and speculation from real life? - Introduce the concept of investment and speculation with definitions and basic examples. - Discuss the purpose of investment (long-term growth, stability) vs. speculation (short-term profit, higher risk). 2. Development (30 minutes) <ol style="list-style-type: none"> a) Definition and Characteristics of Investment <ol style="list-style-type: none"> i. Define investment and discuss its primary objectives: <ul style="list-style-type: none"> - Wealth accumulation over time - Stable returns with acceptable risk ii. Emphasize characteristics such as: <ul style="list-style-type: none"> - Long-term horizon - Focus on fundamentals (e.g., company performance, economic outlook) - Lower risk compared to speculation b) Definition and Characteristics of Speculation <ol style="list-style-type: none"> i. Define speculation and its goals: <ul style="list-style-type: none"> - Short-term price movements, high returns, and high risk. ii. Discuss key characteristics: <ul style="list-style-type: none"> - Short-term focus - Betting on market trends, news, or rumours - Higher risk and potential for larger losses iii. Provide examples of speculative behavior, such as day trading or currency speculation. c) Key Differences Between Investment and Speculation



	<ol style="list-style-type: none">i. Summarize the major differences in terms of risk, time horizon, objectives, and strategy.ii. Explain how speculative behavior can impact markets and the economy, including volatility and market bubbles. <p>3. Exercise (5 minutes)</p> <ul style="list-style-type: none">- One-minute paper: Students write a brief explanation of whether they consider themselves more of an investor or a speculator and why.
Closure	<ol style="list-style-type: none">1. Summarize the key learning outcomes:<ul style="list-style-type: none">- Differences between investment and speculation- Characteristics and risks of each approach- Role in financial markets2. Suggested Reading: Ref. Book 1, Ch.13. Homework:<ul style="list-style-type: none">- Write a short reflective essay (300-500 words) on a real-world example of investment vs. speculation and the outcomes involved. <p>Spend 5 minutes to wrap up and consolidate the learnings.</p>
Evaluation	<ol style="list-style-type: none">1. Reflective Questions<ol style="list-style-type: none">a. What are the key differences between investment and speculation?b. How do the risks differ between investing and speculating?2. Encourage a discussion on the potential consequences of over-speculation in the financial markets. <p>Spend 5 minutes to evaluate student assimilation of the lesson contents.</p>



Lesson Plan No. 1.5	Course Name: Investment Analysis and Portfolio Management Topic: Portfolio Management Process	Course No.: BCMMJ-503
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Objectives	At the end of the lesson the student shall be able to: a. Understand the key stages of the investment management process. b. Analyze the importance of each stage in maximizing returns and minimizing risks.
Teaching Aids (if any)	<ul style="list-style-type: none">• ICT- Visual aid summarizing the stages of the investment management process.
Teaching Development	<ol style="list-style-type: none">1. Introduction (5 minutes)<ul style="list-style-type: none">- Ask questions to gauge prior knowledge:- What do you think the steps in managing investments are?- Why is it important to have a structured process in investment management?- Define the concept of investment management and explain its importance in achieving financial goals.- Highlight that the process applies to both individual and institutional investors.2. Development (30 minutes)<ol style="list-style-type: none">a) Step 1: Defining Investment Objectives:<ul style="list-style-type: none">- Explanation: Objectives include capital appreciation, income generation, or wealth preservation. Factors influencing objectives: risk tolerance, time horizon, and liquidity needs.- Example: Discuss investor profiles (conservative, moderate, aggressive) and match them with corresponding objectives.b) Step 2: Asset Allocation:<ul style="list-style-type: none">- Define speculation and its goals:- Explanation: Dividing an investment portfolio among different asset classes (equities, bonds, cash, etc.) to optimize risk and return.- Strategic vs. tactical asset allocation.- Example: Show sample portfolio allocations (e.g., 70% stocks, 20% bonds, 10% cash) and explain the rationale for eachc) Security Selection<ul style="list-style-type: none">- Explanation: Choosing specific securities within each asset class based on analysis.- Example: Show how to choose a stock or bond based on financial ratios and market trends.d) Step 4: Portfolio Construction and Execution



	<ul style="list-style-type: none">- Explanation: Combining the selected securities to form a diversified portfolio.- Executing trades to implement the strategy while minimizing costs.- Example: Demonstrate how a sample portfolio is constructed and executed, considering market timing and transaction costs. <p>e) Step 5: Monitoring and Rebalancing</p> <ul style="list-style-type: none">- Explanation: Regularly reviewing the portfolio's performance and adjusting to maintain the desired asset allocation.- Rebalancing is necessary when asset prices fluctuate, causing the portfolio to deviate from the target allocation. Example: Explain how to rebalance a portfolio when stocks perform well and their proportion increases beyond the set limit. <p>f) Step 6: Performance Evaluation</p> <ul style="list-style-type: none">- Explanation: Measuring the performance of the portfolio using metrics like total return, risk-adjusted return, and comparison to a benchmark.- Sharpe Ratio and other performance indicators.- Example: Calculate the Sharpe Ratio for a sample portfolio and explain its meaning <p>3. Exercise (5 minutes)</p> <ul style="list-style-type: none">- Provide students with a hypothetical investment scenario and ask them to:<ul style="list-style-type: none">i. Define investment objectives.ii. Propose an asset allocation strategy.iii. Select appropriate securities and justify their decisions.
Closure	<ol style="list-style-type: none">1. Summarize the key learning outcomes:<ul style="list-style-type: none">- Review the stages of the investment management process, from setting objectives to evaluating portfolio performance.- Highlight the importance of a structured approach in managing risk and achieving long-term financial goals.2. Suggested Reading: Ref. Book 1, Ch.13. Homework:<ul style="list-style-type: none">- Choose an investment product (mutual fund, ETF, or stock) and evaluate its performance over the last year. Write 300-500 words report discussing how it aligns with a specific investment objective and its risk/return characteristics.- <p>Spend 5 minutes to wrap up and consolidate the learnings.</p>



Evaluation	<ol style="list-style-type: none">1. Reflective Questions<ol style="list-style-type: none">a. How does asset allocation impact the risk and return of a portfolio?2. Why is portfolio rebalancing necessary? <p>Spend 5 minutes to evaluate student assimilation of the lesson contents.</p>
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Lesson Plan No. 1.1	Course Name: Investment Analysis and Portfolio Management Topic: An Overview of Investment	Course No.: BCMMJ-503
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Objectives	At the end of the lesson the student shall be able to: <ol style="list-style-type: none"> Understand the fundamental concepts of investment. Identify various types of investment alternatives. Recognize the importance of making informed investment decisions.
Teaching Aids (if any)	<ol style="list-style-type: none"> ICT Images of different investment types
Teaching Development	<ol style="list-style-type: none"> Introduction (5 minutes) <ul style="list-style-type: none"> Explain that today's lesson will cover the basics of investment, its different forms, and the importance of understanding various investment alternatives. Development (30 minutes) <ol style="list-style-type: none"> Define investment and explain its purpose. <ul style="list-style-type: none"> Define investment as the commitment of funds to assets to generate future returns. Briefly discuss the purpose of investment (e.g., wealth creation, safety, liquidity). Explain the importance of understanding different investment alternatives. Investment Alternatives <ul style="list-style-type: none"> Equity: Stocks and shares in companies, explaining the potential for high returns but higher risks. Fixed-Income: Bonds, debentures – lower risk, steady returns. Real Estate: Physical property investments – potential for high returns, requires significant capital. Commodities: Gold, silver, oil – used for hedging against inflation, volatile. Mutual Funds: Pool of money invested in diversified assets, reducing risk for investors. Derivatives: Futures, options – high risk, speculative investments. Savings Accounts/Term Deposits: Low-risk options for safety and liquidity, low returns. Alternative Investments: Venture capital, private equity, hedge funds – higher risk, high potential for returns. Exercise (5 minutes) <p>One-minute paper: Students will write down the key differences between equity and fixed-income investments and why someone might choose one over the other.</p>



Closure	<p>4. Summarize: Recap the learning outcomes: Definition of investment, key investment alternatives, and their characteristics. Reaffirm understanding by asking the class what factors they would consider when selecting an investment.</p> <p>5. Suggested Reading: Ref. Book 1, Ch.1</p> <p>6. Homework: Write a 300-500 words reflective essay on which investment alternative would be most suitable for someone saving for retirement, and why</p> <p>Spend 5 minutes to wrap up and consolidate the learnings.</p>
Evaluation	<p>3. Reflective Questions</p> <p>a) What are the key differences between equity and fixed-income investments?</p> <p>b) How does risk influence investment decisions?</p> <p>4. Discussion: Discuss the challenges of choosing between high-risk and low-risk investments and how they align with an investor's goals.</p> <p>Spend 5 minutes to evaluate student assimilation of the lesson contents.</p>

Lesson Plan No. 1.6	Course Name: Investment Analysis and Portfolio Management Topic: Approaches to Decision Making	Course No.: BCMMJ-503
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Objectives	<p>At the end of the lesson the student shall be able to:</p> <ol style="list-style-type: none"> Differentiate between various approaches to investment management. Understand the theoretical and practical aspects of active and passive investment strategies. Analyze and evaluate the benefits and limitations of different investment approaches in achieving financial objectives.
Teaching Aids (if any)	<ul style="list-style-type: none"> ICT- Visual aid to highlight the various approaches to investment management and their characteristics.
Teaching Development	<ol style="list-style-type: none"> Introduction (5 minutes) <ul style="list-style-type: none"> Ask questions to gauge prior knowledge: <ul style="list-style-type: none"> How do you think investors approach managing their portfolios? What factors do you think influence an investor's choice of strategy? Define Investment Management Approaches: Briefly introduce the concept of investment management and its importance. Explain that investment strategies can be broadly categorized into active and passive approaches. Development (30 minutes) <ul style="list-style-type: none"> Active Investment Approach: Active investment involves hands-on management where the goal is to outperform the market through stock selection, timing, or strategies like sector rotation. <ul style="list-style-type: none"> Examples: Hedge funds, mutual funds with active managers. Passive Investment Approach: Passive investment follows a more hands-off strategy, typically aiming to replicate market performance by tracking an index, such as the S&P 500. <ul style="list-style-type: none"> Examples: Vanguard index funds, SPDR ETFs. Hybrid Approaches: Some strategies blend active and passive management, for instance, through a core-satellite approach. <ul style="list-style-type: none"> Examples: Discuss how investors may maintain a passive core and actively manage a portion of their portfolio to seek higher returns. Exercise (5 minutes) <ul style="list-style-type: none"> One-minute paper: Ask students to write briefly on the following question: "Which investment approach do you think is more suited to a risk-averse investor, and why?"
Closure	<ol style="list-style-type: none"> Summarize the key learning outcomes:



	<ul style="list-style-type: none">- Review the two main approaches to investment management: active and passive strategies.- Highlight the advantages and disadvantages of each approach, providing insights into how they can be applied in different investor scenarios. <p>2. Suggested Reading: Ref. Book 1, Ch.1</p> <p>3. Homework:</p> <ul style="list-style-type: none">- Write a reflective essay (300-500 words) on how different investment approaches can be utilized by institutional investors versus individual retail investors to meet their objectives. <p>Spend 5 minutes to wrap up and consolidate the learnings.</p>
Evaluation	<p>1. Reflective Questions</p> <ul style="list-style-type: none">a. What are the main differences between active and passive investment strategies?b. How might an investor's time horizon and risk tolerance influence their choice of investment approach? <p>2. Engage students in discussing the potential challenges investors may face when implementing either strategy, including costs, risk, and market timing.</p> <p>Spend 5 minutes to evaluate student assimilation of the lesson contents.</p>

Lesson Plan No. 1.7	Course Name: Investment Analysis and Portfolio Management Topic: Measures of risk and return	Course No.: BCMMJ-503
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Objectives	At the end of the lesson the student shall be able to: <ol style="list-style-type: none"> Understand the concepts of risk and return in investments. Calculate various measures of risk and return for different asset classes. Evaluate the relationship between risk and return and its importance in investment decision-making.
Teaching Aids (if any)	<ul style="list-style-type: none"> ICT- Visual aid outlining key risk and return measures and formulas.
Teaching Development	<ol style="list-style-type: none"> Introduction (5 minutes) <ul style="list-style-type: none"> Ask questions <ul style="list-style-type: none"> What is your understanding of risk in investments? How do you measure return on an investment? Introduce the concept of Risk (the uncertainty of returns) and Return (the profit or loss on an investment). Explain that understanding both risk and return is essential for making informed investment decisions. Development (30 minutes) <ol style="list-style-type: none"> Measures of Return <ol style="list-style-type: none"> Explain the concept of return, which represents the gain or loss generated by an investment. Discuss the following return measures: <ul style="list-style-type: none"> Total Return: The overall return on an investment, including both capital gains and dividends/interest. Average Return: The simple arithmetic mean of returns over a period of time. Compound Annual Growth Rate (CAGR): The rate of return required for an investment to grow from its beginning balance to its ending balance, assuming the profits were reinvested. Expected Return: The weighted average of possible returns, based on their likelihood. Provide a formula and example for each measure. Lower risk compared to speculation Measures of Risk <ol style="list-style-type: none"> Introduce the concept of risk and explain how it quantifies uncertainty in expected returns. Discuss the following risk measures:



	<ul style="list-style-type: none">- Standard Deviation: A measure of the variability of returns around the mean, indicating volatility.- Variance: The squared deviation of returns from the mean.- Beta: A measure of an asset's volatility relative to the overall market; helps assess systematic risk.- Value at Risk (VaR): The maximum expected loss over a given time period with a certain level of confidence.- Provide formulas and examples for each measure. <p>iii. Risk-Return Trade-off</p> <ul style="list-style-type: none">- Explain the relationship between risk and return.- Discuss the importance of understanding the risk-return trade-off in constructing an investment portfolio.- Introduce Sharpe Ratio as a way to measure risk-adjusted return. <p>3. Exercise (5 minutes)</p> <ul style="list-style-type: none">- Provide students with data for a stock's returns over 5 years and ask them to calculate the average return, standard deviation, and expected return using the formulas discussed.
Closure	<ol style="list-style-type: none">1. Summarize the key learning outcomes:<ul style="list-style-type: none">- Importance of measuring both risk and return when evaluating investments.- Key concepts like standard deviation, beta, expected return, and Sharpe Ratio.- How understanding risk-return trade-off impacts portfolio construction.2. Suggested Reading: Ref. Book 1, Ch.53. Homework:<ul style="list-style-type: none">- Pick a stock from the market and calculate its expected return, standard deviation, and beta. Write a report (300-500 words) on your findings and what they indicate about the stock's risk profile. <p>Spend 5 minutes to wrap up and consolidate the learnings.</p>
Evaluation	<ol style="list-style-type: none">1. Reflective Questions<ol style="list-style-type: none">a. What is the significance of standard deviation in assessing investment risk?b. How does beta help in comparing the risk of individual stocks to the market?



	<p>2. Engage students in a discussion on how understanding the risk-return trade-off can help investors make more informed decisions in real-world scenarios.</p> <p>Spend 5 minutes to evaluate student assimilation of the lesson contents.</p>
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Lesson Plan No. 2.1	Course Name: Investment Analysis and Portfolio Management Topic: An Overview of Investment	Course No.: BCMMJ-503
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Objectives	At the end of the lesson the student shall be able to: a. Understand the fundamental concepts of investment. b. Identify various types of investment alternatives. c. Recognize the importance of making informed investment decisions.
Teaching Aids (if any)	a. ICT b. Images of different investment types
Teaching Development	<p>1. Introduction (5 minutes)</p> <ul style="list-style-type: none"> Explain that today's lesson will cover the basics of investment, its different forms, and the importance of understanding various investment alternatives. <p>2. Development (30 minutes)</p> <p>a) Define investment and explain its purpose.</p> <ul style="list-style-type: none"> Define investment as the commitment of funds to assets to generate future returns. Briefly discuss the purpose of investment (e.g., wealth creation, safety, liquidity). Explain the importance of understanding different investment alternatives. <p>b) Investment Alternatives</p> <ul style="list-style-type: none"> Equity: Stocks and shares in companies, explaining the potential for high returns but higher risks. Fixed-Income: Bonds, debentures – lower risk, steady returns. Real Estate: Physical property investments – potential for high returns, requires significant capital. Commodities: Gold, silver, oil – used for hedging against inflation, volatile. Mutual Funds: Pool of money invested in diversified assets, reducing risk for investors. Derivatives: Futures, options – high risk, speculative investments. Savings Accounts/Term Deposits: Low-risk options for safety and liquidity, low returns. Alternative Investments: Venture capital, private equity, hedge funds – higher risk, high potential for returns. <p>3. Exercise (5 minutes)</p> <p>One-minute paper: Students will write down the key differences between equity and fixed-income investments and why someone might choose one over the other.</p>



Closure	<ol style="list-style-type: none">1. Summarize: Recap the learning outcomes: Definition of investment, key investment alternatives, and their characteristics. Reaffirm understanding by asking the class what factors they would consider when selecting an investment.2. Suggested Reading: Ref. Book 1, Ch.13. Homework: Write a 300-500 words reflective essay on which investment alternative would be most suitable for someone saving for retirement, and why <p>Spend 5 minutes to wrap up and consolidate the learnings.</p>
Evaluation	<ol style="list-style-type: none">1. Reflective Questions<ol style="list-style-type: none">a) What are the key differences between equity and fixed-income investments?b) How does risk influence investment decisions?2. Discussion: Discuss the challenges of choosing between high-risk and low-risk investments and how they align with an investor's goals. <p>Spend 5 minutes to evaluate student assimilation of the lesson contents.</p>