

Introduction to Business – BBI20

The World of Business

Saving and Investing – DAY 4

Mrs Zarzeczny

Rationale

Many students are aware that people save and invest money; however, few realize the significant impact that different savings options have on the accumulation of wealth.

Outcome

Students will become aware that selecting the most appropriate saving and investment option helps wealth grow.

Goal

Using individual activities, students will identify the key features and benefits of different saving and investment options in order to improve their understanding of becoming a better investor.

Objective(s)

Students will be able to identify various ways to invest money.

Students will be able to calculate average annual rates of return of four different saving and investment options.

Students will be able to graph the growth of four different saving and investment options.

Instructional Procedures

Anticipatory Set

The piggy bank

Modeling

Identify and discuss the three key features and benefits of different saving and investment options.

1. Rate of return and yield
2. Risk
3. Liquidity

Guided Practice

“Understanding Saving and Investment Options” worksheet (Page 1 of 2)

“Understanding Saving and Investment Options” worksheet (Page 2 of 2)

Materials, Aids, and Computer Needs

- Piggy bank
- “The Effects of Compounding Over Time” chart
- “Risk and Return Trade-Off” chart
- Overhead markers
- Overhead projector
- Overhead transparencies
- “Understanding Saving and Investment Options” worksheets (26 copies)
- “Understanding Saving and Investment Options” worksheets (26 copies)

Name: _____ Date: _____

Introduction to Business – BBI20
The World of Business
Understanding Saving and Investment Options
 Page 1 of 2
Mrs Zarzeczny

You can become a better investor by learning more about savings and investment options. Investors have many options that offer various combinations of liquidity, risk, and rate of return are key factors to consider.

Liquidity _____

Risk _____

Rate of return _____

Savings Options	Liquidity	Risk			Return/Yield		
		High	Medium	Low	High	Medium	Low
Savings Account							
CSB (Canada Savings Bond)							
GIC (Guaranteed Investment Certificate)							
Corporate Bonds							
Common Stocks							
Preferred Stocks							
Mutual Funds Money Market Fund							
Mutual Funds Balanced Fund							
Mutual Fund Canadian Equity Fund							
Real Estate							
Collectibles							

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Introduction to Business – BBI20 The World of Business

Understanding Saving and Investment Options

Page 2 of 2

Mrs Zarzeczny

Different savings options grow at different rates. The average annual rate of return for each savings option is not exact. It is only meant to be an estimate. Calculate the values and complete the graphic organizer.

Savings Options	Average Annual Rate of Return	Year 1	Year 2	Year 3	Year 4	Year 5
Savings Account	0.5 %	\$1000.00				\$1020.16
CSB (Canada Savings Bond)	3.0%	\$1000.00	\$1030.00			
GIC (Guaranteed Investment Certificate)	4.0%	\$1000.00			\$1124.86	
Mutual Fund Balanced Mutual Fund	7.0%	\$1000.00		\$1144.90		

Savings Options Growth Graph

Draw a line graph representing the values of the four savings options in the graphic organizer.

