

Lesson Plan: Saving and Investment Challenge

Offered in partnership with the Ontario Business Educators' Association

Step 1 – Glossary (knowledge)

Prepare a glossary of at least 20 terms relating to saving and investing. A set of 15 terms have been provided. Use the additional space to add more terms as you progress in the Challenge.

Glossary

1	Chequing account Web Source →	
2	Savings account Web Source →	
3	Guaranteed Investment Certificate (GIC), Web Source →	
4	Canada Savings Bond (CSB), Web Source →	
5	RESP Web Source →	
6	TFSA Web Source →	
7	Liquidity Web Source →	
8	Interest Web Source →	
9	Yield Web Source →	
10	Return on Investment (ROI) Web Source →	

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Step 1 – Glossary cont. (knowledge)

11	Risk Web Source →	
12	Stock Market Web Source →	
13	Index Web Source →	
14	Canadian Equity Index Fund Web Source →	
15	Canadian Bond Index Fund Web Source →	
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20		

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Step 2 – Saving and Investment Vehicles (Application)

Create a chart or table for the following Savings and Investment Vehicles and record the following information

- Name of the financial institution
- The rate of return
- **The growth of \$1,000 savings using a spreadsheet application software over the time period of 1 (ONE) year. (You choose the start date of the time period.)
(Do Separately from the Table below)**
- Any service fees you may be charged

(For Reference Only - : http://www.bankguide.ca/bank_listings/Canadian_Banks/)

Include some information about the financial institutions in your submission.

Note: You may choose different financial institutions for each saving alternative.

Type of Savings / Investment Vehicle	Name of Financial Institution	Rate of Return	Any service fees
Chequing Account			
Savings Account			
Guaranteed Investment Certificate (GIC)			
Canada Savings Bond (CSB)			

Chart your results for each Savings and Investment Vehicle (line graph, bar graph etc. Use an appropriate legend).

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Step 3 – Saving and Investment Vehicles (Application)

PART A

Research the performance of \$1,000 invested in each of the following two investment indexes over a 12-month period:

- Canadian Equity Index Fund **OR** Canadian Composite Index Fund
- Canadian Bond Index Fund

(For Reference Only - <http://canadiancouchpotato.com/canadian-index-funds/>)

<u>Name of Fund</u> (Equity or Composite)	<u>Financial Institution that manages the Fund</u>	<u>Rate of Return / Performance</u> (and during which year)	<u>MER Fee (or MER %)</u>
(Bond)			

PART B

Create a table to show each of the stock market and bond indexes investment fund's performance for a 12-month period with the initial investment of \$1,000

Use a spreadsheet application software to complete all calculations. Include any fees you may be charged on these investments.

<u>Name of fund</u>	<u>Financial institution that manages the fund</u>	<u>Initial amount invested</u>	<u>Rate of return / performance</u> (and during which year)	<u>Value of your \$1,000 investment</u>	<u>MER Fee or (MER %)</u>	<u>Overall value of your \$1,000 investment</u>

Please note that the time period for these two indexes must be backdated one year to review past performance since you cannot anticipate future returns of these indexes.

PART C

Chart your results for each investment vehicle (for example, bar graph, line chart and include a legend).

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Step 4 – Summary (Thinking)

Once you have completed the research, the charts and the graphs, prepare a summary of your findings to include the following points:

- An analysis of the advantages and drawbacks of selecting these saving and investment vehicles.
- The rate of return, the level of risk, and liquidity of these plans.
- A comparison of the saving and investment vehicles.
- Rank the vehicles in terms of the potential growth of that \$1,000.
- Choose which vehicle you personally would place your \$1,000 in and why.

Step 5 – Reflection (Communication)

Describe at least three key things you discovered about saving and investing from doing this project with specific evidence from the experience.

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Teaching Resources

<http://www.getsmarteraboutmoney.ca/education-programs/for-teachers/Pages/default.aspx>

IEF teacher resources	Challenge component
Fair Play, Investment Risks and Products – Lesson 1.4 Taking Stock in Your Future Senior Guide, Module 1– Pre-test A, Glossary of Terms	Glossary of terms
Developing Financial Skills Guide, Part 1: Personal finance – Budgeting Wisely	Research financial institutions
Taking Stock in Your Future, Part 2: Mathematics of Wealth Building	Formula for calculations, spreadsheet application and graphing