

UCI Paul Merage School of Business

FLA Presents:

UCI STOCK MARKET COMPETITION

2019-2020 Syllabus

Contact Information

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About Financial Literacy Association (FLA)



The Financial Literacy Association's (FLA) mission is to help increase students' financial literacy and help better manage their personal finance. FLA hosts free workshops on the UCI campus that is open to the general public. FLA's largest program is UCI's campus-wide annual Stock Market Competition.

Founder Bio

Julie Lim's interests include project management, marketing, and entrepreneurship. Her goal is to increase people's personal finance and to promote business skills across all majors. Her position as ASUCI Business Senator calls to serve the Business Undergraduate Department. After hearing the students' desire for more applicable experiences and the non business majors' desire to have more opportunities to get involved in business affairs, Ms. Lim conceived the idea of a campus-wide Stock Market Competition. The Center for Investment and Wealth Management (CIWM) has greatly supported Ms. Lim in her endeavor by providing staff, funds, and other resources. This competition could not have been accomplished without CIWM.



Purpose of the Competition

The primary purpose for the Stock Market Competition is to help participants increase their financial literacy and be prepared to manage their (future) wealth by gaining knowledge about investments and the stock market. The competition is to give participants a hands-on experience with investing. This Stock Market Competition is not focused on return on investment since the competition only lasts 4 months and FLA advocates for long-term investment rather than short-term gains. The focus will be on strategy and knowledge growth. This competition is highly encouraged among those who have no prior experience or knowledge about investing since workshops, office hours, online tutorials, and other educational material for beginners are provided. *This is primarily a learning experience. Although this is a competition, knowledge growth matters the most.*

Why Invest?

The primary benefit of stock trading is the ability to **make your money make money**. When done right, stock trading is one of the most effective ways to make a profit and build wealth. When an investor buys a stock at one price and then sells it at a higher price, the investor has made a profit. In the stock market, investors have an opportunity to make large profits in a relatively short period of time. Additionally, some stocks pay dividends, providing investors with a regular stream of cash.

The other key benefit of stock trading is the chance to **beat inflation**. If you just let your money sit in a savings account, the ongoing increase in the prices of goods and services will decrease the value of your money over time. For this reason, it is crucial that your money grows at least as quickly as inflation does. Since stock trading can provide sizable returns, it is a great way to ensure that your money beats inflation. This is the primary method for saving for retirement. Investing can also be a way to make extra money.

Expected Weekly Time Commitment

In real practice, stock traders range from investing in one stock to trading many stocks every day. It is up to the user, but a minimum of 30 minutes is suggested per week.

Weekly Suggestions:

- Trade weekly
- Taking Stock Trak Assignments
- Researching economic data and trends

Stock Trak

Stock Trak is the provider of the virtual stock market website platform. Participants receive \$100,000 in a virtual brokerage account. They use this cash to manage a portfolio for the duration of the competition with Stock Trak's stock simulation. This portfolio can include stocks, options, futures, bonds, mutual funds, currencies and other securities from 50 global exchanges. All participants must register with Stock Trak to compete. There will be a virtual \$10 fee for each transaction made. (Registration is free)

1.Trading Parameters

Account Currency

USD

Interest Earned on Cash

2%

Beginning Cash	\$100,000.00
Position Limit	100% of portfolio
Interest Earn Rate	2%
Interest Charge Rate	7%
Minimum Marginable Price	\$3.00
Allowable Trade Types	Equities, Mutual Funds, Bonds, Options, Futures, Future Options, Spots

Allow Trading on Margin	Yes
Day Trading Allowed	Yes
Short Selling Allowed	Yes
Trading End Date	02/15/2019 11:59 PM
Commission	\$5.00
Open Markets	US and International e.g: Hong Kong, London, Brazil, etc.

2. Trade Notes

Every time you place a trade, you are encouraged, but not required to add a short “Trade Note”, a sentence or two providing justification for why you think each order is a good move for your portfolio. You cannot edit or delete Trade Notes.

3. Stock Trak Assignments

There are **optional** assignments available on Stock Trak to take. The assignments are available for participants to gain more knowledge in areas they are not familiar with. It is solely for the benefit of your knowledge. The amount of assignments you complete will not be considered when awarding winners. The assignment categories are as follows:

- The Basics: Investing Fundamentals, Trading Basics, Order Types
- Derivatives Trading
- Options Trading
- Career Development
- Personal Finance
- Intermediate Investing Tips

Competition Requirements

To be eligible to be a prize winner of the competition, you are required to do the following

1. Workshop

- ❖ Qualifiers:
 - Competitors must attend
 - 1 SMC workshop
 - 1 FLA meeting
 - complete 6 CashCourse Modules in 2019-2020 to be a prize winner. Non-competitors are allowed to attend all workshops as well.
- ❖ Dates: *subject to change

Workshop 1: Stock Market 101

- o October 29 (7-8:30pm)
- o October 30 (7-8:30pm)

Workshop 2: Beginner

- o November 19 (7-8:30pm)
- o November 20 (7-8:30pm)

Workshop 3: Intermediate Investing

- o January 22 (7-8:30pm)
- o January 24 (7-8:30pm)

Workshop 4: Strategic Investing

- o February 3 (7-8:30pm)
- o February 4 (7-8:30 pm)

❖ Raffle Prize!

Anyone (competitors and non-competitors) who attends 4 or more workshops hosted by FLA will be automatically entered in a raffle prize to win a \$100 Visa gift card or a store of their choice! There will be a total of 7 different workshops hosted by FLA.

Strategy Paper

❖ Qualifiers:

Only participants who attended at least 1 workshop may submit a paper.

❖ Due Date:

February 22nd, 2019 11:59pm PST

❖ Format of the Strategy Paper

- Times New Roman 12pt. font
- Double spaced
- 1-4 pg paper (not including citations)
- Can include images (e.g graphs, charts, etc.)
- Structure
 - o Your Background
 - o Investing Strategy
 - o Learning Growth
 - o Why you think you should win?
- Learning outcomes from trading and the workshops

2. Finalist Presentations

❖ Qualifiers:

Participants with the top 10 Strategy Papers will be chosen as the finalists

❖ Date:

March 8th, 2019

❖ Format of Presentation:

Finalists will give a 10-15 PowerPoint presentation to a panel of judges

❖ Components of the Presentation:

- Description of Finalist (previous experience with investments, major, etc.)
- Investment Strategy
- Summary of trading history
- Learning growth/outcomes
- Why you should win

Judging Criteria

The weighting for the awards is as follows:

Strategy Paper: 30%

Presentation: 30%

Participation throughout the competition: 30%

Return on Investment: 10%

Prize Winners

1st Place: \$1,000

2nd Place: \$750

3rd Place: \$500

Available Resources

1. Facebook Q+A Group

- o Feel free to message us or post to our Facebook Page: <https://www.facebook.com/UCISMC/>
- o You can ask us questions, get opinions from other participants, and collaborate.

2. Workshops

- o Every quarter, we will be offering workshops to help you learn more about stocks and investment strategies. Everyone is required to attend at least one workshop.

3. Office Hours

- o Office hours are for students to go in person to meet with professionals in the Finance industry are offered by request. You are free to ask questions specific to the stock market competition and investment strategies. To book an office hour, email: juliehl@uci.edu

4. Stock Trak

- o [FAQs](#)
- o [User Guide to Stock Trak](#)
- o [Understanding Stock Quotes](#)
- o [How to Pick Stocks](#)
- o [Video](#)

Timeline

(Subject to change)

NOVEMBER

Competition Begins	October 25th
Workshop #1 Stock Market 101	October 29, 7:00-8:30pm
Workshop #1 Stock Market 101	October 30, 7:00-8:30pm

DECEMBER

Workshop #2 Beginner Trading	November 19, 7:00-8:30pm
Workshop #2 Beginner Trading	November 20, 7:00-8:30pm

JANUARY

Workshop #3 Intermediate Investing	January 20, 7:00-8:30pm
Workshop #3 Intermediate Investing	January 21, 7:00-8:30pm
Workshop #4 Strategic Investing	October 30, 7:00-8:30pm

FEBRUARY

Workshop #5 Long-term Investment	February 6th
Workshop #5 Long-term Investment	February 7th
Competition Ends	Friday, February 15 th 11:59:pm
Strategy Paper Due	Saturday, February 22 nd 11:59pm

MARCH

Finalist Presentations	Friday, March 6 th 5-8:30pm
Award Ceremony	Friday, March 15 th

POST-COMPETITION FLA EVENTS

APRIL

Workshop #5 How Do Taxes Work?	Monday, April 20
Workshop #6 Post Grad Budgeting	Wednesday, May 4

*Anyone (competitors and non-competitors) who attends 4 or more workshops will be automatically entered in a raffle to win a \$100 Visa gift card or any store gift card of their choice. There are 7 different workshops hosted by FLA this year.