

Online Investing: Evaluating Investment Alternatives

Learning Assignments & Objectives

As a result of studying each assignment, you should be able to meet the objectives listed below each assignment.

ASSIGNMENT **SUBJECT**

Online Investing: Evaluating Investment Alternatives

At the start of the course, participants should identify the following topics for study:

- * Investment purposes
- * Investment vehicles & entities
- * Analyzing your present situation
- * Asset allocation – risk & return
- * Taxes
- * Developing a financial plan
- * Cash management & savings
- * Asset types
- * Life insurance
- * Investment selection & evaluation strategies

Learning Objectives

After reading the materials participants will be able to:

1. Identify advantages of the Internet noting the depth and volume of investment and financial planning information that is available.
2. Determine what constitutes financial independence using the steps in the mapping process.
3. Recognize individual personal and financial goals as a mapping tool for financial planning by:
 - a. Citing differences between financial goals and purposes noting major investment purposes and retirement myths;
 - b. Identifying investment goals in retirement planning including timing, careers, investment philosophies, insurance needs, risk management, and estate planning;
 - c. Recognizing resource allocation noting necessary generational changes and identifying investment ownership and those who will be involved in the financial planning process; and

d. Specifying the tax consequences of title holding methods by identifying ways to hold title and the various types of private retirement plans.

4. Determine net worth using a balance sheet employing an asset inventory of assets and liabilities to meet financial goals.

5. Recognize an individual's primary responsibility for the investment planning including necessary self-education and, identify the allocation of financial resources among investments to maximize return and the economic impact of inflation, risk versus return, and income tax planning tactics.

6. Identify spending habits, determine how to convert an operating loss into an operating surplus, and select a budget to build savings and increase discretionary income.

7. Specify the development and implementation of a financial plan for retirement by:

a. Identifying how to manage income to generate and inflation protect cash stating key savings elements;

b. Determining physical and financial assets naming which assets have more liquidity and citing the potential investment opportunities of real estate;

c. Specifying stock types that influence potential earnings and the pros and cons of the several bond types;

d. Locating mutual funds based upon an investor's personal objectives and risk tolerance and specifying life insurance types which can become financial planning tools; and

e. Identifying the mechanics of the Social Security system noting payments subject to Social Security taxes and recognizing the commitment needed to create a successful financial plan.

8. Identify active and passive strategies associated with purchasing investments.

After studying the materials, answer the exam questions 1 to 80.

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