ASU Soc 370 Stock Market Investment Challenge Spring 2016

Assignment description:

- On the second day of class students will pick a home country. Your country must have a GDP per capita that is equal to or less than $30,000 per year and a GINI coefficient that is greater than .35. (See the CIA World Factbook for these figures: https://www.cia.gov/library/publications/the-world-factbook/) Your country may be located in any region around the world but there will be no repeats across class members. (So, be sure to bring a few options to class on the second day!)
- Over the first few weeks of the semester students will make a pseudo-investment in the stock market. Each student will invest $100,000 (in U.S. dollars) in the market via an online stock market simulator (http://www.howthemarketworks.com). Students will receive an invitation to the contest at the beginning of the semester. (The password is **dependencytheory**).
- Students may only invest in stocks that they can clearly tie back to their home country. (I.e., the companies you invest in must have financial connections to your home country.)
- Students' initial task will be to set up an account and make an initial investment by 02/01. Students may sell their initial investments and reinvest their money at any point in the semester (keep in mind that each trade will be charged a commission).
- Our mock stock market will close on April 1st, 2016 at 4:00pm EST. The winner—determined by final amount in U.S. dollars—will have the option of not taking the final exam. Keep in mind, however, that I too will be playing, and thus, if I win, everyone will take the exam!

Tasks:

(1) Economic Report Card (5% of final grade):

On the 1st of February students are required to turn in an economic report card for their country. To begin this task, please read the following article: http://www.theguardian.com/news/datablog/2010/apr/30/credit-ratings-country-fitch-moodys-standard

- Once you have read the article begin to reflect on your home country's rating. What accounts for your country's score? (I.e., what types of events influence the rating? What makes it go up or down?) Why might this rating matter? (I.e., what types of decisions are made based on this rating?)
- After reading the aforementioned article and reflecting on your country's credit rating, research your country's recent history. (The CIA World Factbook may also help with this task: https://www.cia.gov/library/publications/the-world-factbook/) Does your country suffer from civil strife? Or is it politically stable? Does it have high/low crime rates? Large/balanced international debt? High/low education levels? Favorable/unfavorable healthcare outcomes?
- Finally, taking into consideration your country's credit rating and its recent history, write up a brief economic report card for your country. Imagine that major international investors will come to depend on your report card for insight regarding

their future investments in your country. Your task is to provide them with a brief, yet concise report of your country's economic stability. (3 pages double-spaced.)

(2) Reflection (5% of final grade):

After the market closes on the 1st of April students are expected to reflect on the role of the stock market (and global investment trends in general) in reproducing or ameliorating global poverty and inequality. To begin, complete the following tasks:

- Read back through the country report card that you drafted at the beginning of the semester.
- Print off a copy of your final portfolio (i.e., your investment history and your final brokerage account balance).
- Convert your final balance (the money you have left) to your country's currency.
- Research the cost of goods and services in your country (milk, eggs, gas, bread, internet service, cars, computers, education, etc.) and compare these costs to the value of similar products in the U.S. (Note: This may take some time, so be patient and start early!)
- Take a moment and put yourself in an investor's shoes. If your livelihood depended on your remaining cash, where would you want to put your money? (In the U.S. or in the country you chose?) Would you invest it back into the market? Would you leave it in the bank? And why?
- Finally, using your home country as a case study, write a 3-page reflection on the relationship between global inequalities and investment trends in the world economy. (I.e., how are inequalities between countries related to investment trends?) In your write-up please be sure to explain whether or not you think *dependency theory* is useful in explaining your country's economic situation.
- This assignment is due in class on the 6th of April.

01/19-02/01	Research stock market and currencies.
02/01	Make an initial investment.
02/01	Turn in a two page (double space) economic report card for your home country. (5% of final grade.)
02/02-04/01	Trade at your discretion.
04/01	Trading closes.
04/06	Turn in a three page (double space) final reflection. (5% of final grade.)