Taking Risks: Round One

As the game progresses, consider the world events discussed in class. These events will change the level of risk. Think about your options, the risks, the rate of return, and your goals (increase wealth, avoid bankruptcy, provide financial security for family).

Fill in column one on the investment table. Invest in 100 Florin increments. **BEFORE rolling the dice, answer questions 1-6.**

<table>
<thead>
<tr>
<th>Investment Opportunity</th>
<th>Expected Rate of Return</th>
<th>Risk Level</th>
<th>Amount Invested</th>
<th>Profit or loss</th>
<th>Actual Return (investment +/- profit/loss)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank</td>
<td>5% (x .05)</td>
<td>low risk</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>North Sea Trade</td>
<td>20% (x .2)</td>
<td>medium risk</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>East Indies Spice</td>
<td>200-400% (x 2 or 3 or 4)</td>
<td>high risk</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tulip Bulbs</td>
<td>2000% (x 20)</td>
<td>very high risk</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total flo 00. Total

Round One

1. Which of the following best describes your EXPECTED rate of return for round one?
   a. Less than 20%
   b. About 20%
   c. 200-300%
   d. 500% or more

2. How would you describe your level of RISK (low, medium, high, very high)? ______________________

3. Would you describe your investments as concentrated or diversified? ______________________ Explain. _________

4. Where did you invest the greatest amount of money?__________Why? ________________________________

5. Where did you invest the least amount of money?__________ Why? ________________________________
6. List 3 or more world events that are likely to affect your rate of return (in the 1600s).

_________________________________________________________________
_________________________________________________________________
_________________________________________________________________

Roll the Dice and Fill in the remaining columns on the investment table. Then answer questions 7 and 8.

7. What was your total at the end of round one? ________________ Did any of your investments lose money?______
Any gains? _____

8. Was there anything specific about world events that you FAILED to consider or take seriously enough?_______
If yes, what? ____________________________________________________________
Taking Risks: Round Two

Name: _______________________

Consider the world events discussed in class. Think about your options, the risks, the rate of return, and your goals (increase wealth, avoid bankruptcy, provide financial security for family).

**You make hold back up to 25% of your wealth for other uses (land reclamation, taxes, living expenses, etc.).** Fill in column one on the investment table. Invest in 100 Florin increments. **BEFORE rolling the dice, answer 9-15.**

<table>
<thead>
<tr>
<th>Investment Opportunity</th>
<th>Expected Rate of Return</th>
<th>Risk Level</th>
<th>Amount Invested</th>
<th>Profit or loss</th>
<th>Actual Return (investment +/- profit/loss)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank</td>
<td>5% (x .05)</td>
<td>low risk</td>
<td>_______________</td>
<td>_____________</td>
<td>_______________</td>
</tr>
<tr>
<td>North Sea Trade</td>
<td>20% (x .2)</td>
<td>medium risk</td>
<td>_______________</td>
<td>_____________</td>
<td>_______________</td>
</tr>
<tr>
<td>East Indies Spice</td>
<td>200-400% (x 2 or 3 or 4)</td>
<td>high risk</td>
<td>_______________</td>
<td>_____________</td>
<td>_______________</td>
</tr>
<tr>
<td>Tulip Bulbs</td>
<td>2000% (x 20)</td>
<td>very high risk</td>
<td>____________</td>
<td>_____________</td>
<td>_______________</td>
</tr>
</tbody>
</table>

Total ______________ + Amount Held back ______________

Amount Held Back ______________ Total ______________

9. Which of the following best describes your EXPECTED rate of return for round two?
   a. Less than 20%  
   b. About 20%  
   c. 200-300%  
   d. 500% or more

10. How would you describe your level of RISK (low, medium, high, very high)? ________________________ How does your level of risk compare to round one (same, higher, lower)? _____________________

11. Would you describe your investments as concentrated or diversified? ________________________ Explain. ________________________

________________________________________________________________________________
12. Where did you invest the greatest amount of money? __________ Why? _______________________________________________________

13. Where did you invest the least amount of money? __________ Why? _______________________________________________________

14. List 3 or more world events that are likely to affect your rate of return (March, 1637).
   ____________________________________________________________
   ____________________________________________________________
   ____________________________________________________________

15. Did you withhold any of your funds from investment in the listed options? _______ Why or why not? ________________

Roll the Dice and Fill in the remaining columns on the investment table (previous page). Then answer questions 16 and 17.

16. What was your total at the end of round two? _________________ Did any of your investments lose money? ______ Any gains? _____

17. Was there anything specific about world events that you FAILED to consider or take seriously enough? ______ If yes, what?
   __________________________________________________________________________________________________

If not, tell about others in the class that did fail to notice world events. ______________________________________________________________________________
Taking Risks: Round Three

Name: ____________________________

Consider the world events discussed in class and the timeline. **You make hold back up to 25% of your wealth for other uses (land reclamation, taxes, living expenses, etc.).** Fill in column one on the investment table.

<table>
<thead>
<tr>
<th>Investment Opportunity</th>
<th>Expected Rate of Return</th>
<th>Risk Level</th>
<th>Amount Invested</th>
<th>Profit or loss</th>
<th>Actual Return (investment +/- profit/loss)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank</td>
<td>5% (x .05)</td>
<td>low risk</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>North Sea Trade</td>
<td>20% (x .2)</td>
<td>uncertain</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>East Indies Spice</td>
<td>200-400% (x 2 or 3 or 4)</td>
<td>high risk</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tulip Bulbs</td>
<td>2000% (x 20)</td>
<td>very high risk</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total ___________________  + Amount Held Back ____________

Amount Held Back ____________  Subtotal ____________

Subtract taxes ____________  Total ____________

18. Which of the following best describes your **EXPECTED** rate of return for round three?

a. Less than 20%  
b. About 20%  
c. 200-300%  
d. 500% or more

19. How would you describe your level of **RISK** (low, medium, high, very high)? __________________________ How does your level of risk compare to round one (same, higher, lower)? __________________________

20. List 3 or more world events that are likely to affect your rate of return in the year 1652.

_________________________________________________________________

_________________________________________________________________

_________________________________________________________________
21. Did you withhold any of your funds from investment in the listed options? __________ Why or why not? ________________
________________________________________________________________________
__________________________________________________________________________________

Roll the Dice and Fill in the remaining columns on the investment table. Then answer questions 22 and 23.

22. What was your total at the end of round three? ________________ Did any of your investments lose money? _____ Any gains? _____

23. Was there anything specific about world events that you FAILED to consider or take seriously enough? _______ If yes, what?
________________________________________________________________________
If not, describe a choice made by someone else who failed to consider world events.
________________________________________________________________________

24. Did you meet the GOALS of this game (increase wealth, avoid bankruptcy, provide financial security for yourself and family)?________ Explain. __________________________________________________________
________________________________________________________________________

25. This was a game. List 3 “lessons” from the game that offer real life advice for someone investing money in today’s financial markets. Talk it over in your small group.

________________________________________________________________________
________________________________________________________________________
________________________________________________________________________