

# Unit 07: The Role of Mutual Funds as an Investment Alternative

Content Area: **Business**  
Course(s): **Investing**  
Time Period: **4 weeks**  
Length: **Weeks**  
Status: **Published**

## Unit Overview

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Students will analyze the role of mutual funds as an investment alternative.

## Transfer

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Students will be able to independently use their learning to better set and achieve their own short- and long-term financial goals.

## Meaning

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## Understandings

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Students will understand...

- Describe the characteristics and purposes of mutual funds and mutual fund ownership.
- Understand the different classifications of mutual funds.
- Explain the methods of evaluating mutual funds.
- Understand how mutual funds are priced.
- Understand how mutual funds are bought and sold.
- Understand the role of diversification in mutual fund investments.
- Develop strategies for buying and selling mutual funds to achieve financial goals.

## **Essential Questions**

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Students will keep considering...

- How can mutual funds be used to help students achieve personal financial goals?
- What are the characteristics and purposes of mutual funds and mutual fund ownership?
- Why is it important to understand the different classifications of mutual funds?
- What are the methods of evaluating mutual funds?
- How mutual funds are priced?
- How mutual funds are bought and sold?
- What is the role of diversification in mutual fund investments?
- How can I develop strategies for buying and selling mutual funds to achieve financial goals?

## **Application of Knowledge and Skill**

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### **Students will know...**

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Students will know...

- The characteristics and purposes of mutual funds and mutual fund ownership.
- The different classifications of mutual funds.
- The methods of evaluating mutual funds.
- How mutual funds are priced.
- How mutual funds are bought and sold.
- The role of diversification in mutual fund investments.
- Strategies for buying and selling mutual funds to achieve financial goals.

### **Students will be skilled at...**

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Students will be skilled at...

- Describing the characteristics and purposes of mutual funds and mutual fund ownership.
- Assessing the different classifications of mutual funds.
- Evaluating mutual funds using multiple methods.
- Analyzing how mutual funds are priced.
- Assessing how mutual funds are bought and sold.
- Identifying the role of diversification in mutual fund investments.
- Developing strategies for buying and selling mutual funds to achieve financial goals.

## **Academic Vocabulary**

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Investing terms and concepts related to the role of mutual funds as an investment alternative i.e., mutual funds, diversification, etc.

## **Learning Goal 1**

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SWBAT: analyze the role of mutual funds as an investment alternative.

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PFL.9.1.12.A.3	Analyze the relationship between various careers and personal earning goals.
PFL.9.1.12.A.9	Analyze how personal and cultural values impact spending and other financial decisions.
PFL.9.1.12.B.1	Prioritize financial decisions by systematically considering alternatives and possible consequences.
PFL.9.1.12.B.6	Design and utilize a simulated budget to monitor progress of financial plans.
PFL.9.1.12.D.1	Calculate short- and long-term returns on various investments (e.g., stocks, bonds, mutual funds, IRAs, deferred pension plans, and so on).
PFL.9.1.12.D.2	Assess the impact of inflation on economic decisions and lifestyles.
PFL.9.1.12.D.3	Summarize how investing builds wealth and assists in meeting long- and short-term financial goals.
PFL.9.1.12.D.5	Justify the use of savings and investment options to meet targeted goals.
PFL.9.1.12.D.6	Analyze processes and vehicles for buying and selling investments.
PFL.9.1.12.D.7	Explain the risk, return, and liquidity of various savings and investment alternatives.
PFL.9.1.12.D.9	Relate savings and investment results to achievement of financial goals.
PFL.9.1.12.D.10	Differentiate among various investment products and savings vehicles and how to use them most effectively.
PFL.9.1.12.D.11	Assess the role of revenue-generating assets as mechanisms for accruing and managing

	wealth.
PFL.9.1.12.D.13	Determine the impact of various market events on stock market prices and on other savings and investments.
PFL.9.1.12.D.15	Analyze how savings, retirement plans, and other investment options help to shift current income for purposes of tax reporting and filing.
PFL.9.1.12.E.2	Analyze and apply multiple sources of financial information when prioritizing financial decisions.
PFL.9.1.12.E.3	Determine how objective, accurate, and current financial information affects the prioritization of financial decisions.
CAEP.9.2.12.C.9	Analyze the correlation between personal and financial behavior and employability.

## **Target 1**

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SWBAT: Describe the characteristics and purposes of mutual funds and mutual fund ownership.

- SWBAT: Describe the characteristics and purposes of mutual funds and mutual fund ownership.

## **Target 2**

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SWBAT: Assess the different classifications of mutual funds.

- SWBAT: Assess the different classifications of mutual funds.

## **Target 3**

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SWBAT: Evaluate mutual funds using multiple methods.

- SWBAT: Evaluate mutual funds using multiple methods.

## **Target 4**

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SWBAT: Analyze how mutual funds are priced.

- SWBAT: Analyze how mutual funds are priced.

## **Target 5**

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SWBAT: Assess how mutual funds are bought and sold.

- Assess how mutual funds are bought and sold.

## **Target 6**

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SWBAT: Identify the role of diversification in mutual fund investments.

- SWBAT: Identify the role of diversification in mutual fund investments.

## **Target 7**

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SWBAT: Develop strategies for buying and selling mutual funds to achieve financial goals.

- SWBAT: Develop strategies for buying and selling mutual funds to achieve financial goals.

## **Summative Assessment**

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- Unit Test

## **Formative Assessment and Performance Opportunities**

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- Class Discussion
- Completion of Vocab
- Presentation of Ideas
- Review of worksheets/projects
- Teacher Observation
- Use of technological resources for quick assessment

## **Accommodations/Modifications**

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- Collaborate in small groups organized by student level and preference to apply the role of mutual funds
- Extra problems for extra practice remediation and/or enrichment
- Quizlet

## **Unit Resources**

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- Wall Street Journal & other business publications
- Board Games
- Book Companion Website
- Chapter PowerPoints
- DECA Role Plays
- Desktop Computer
- Document Camera

- Guest Speakers
- Managing Your Personal Finances 6E
- Microsoft Excel
- Videos
- Workbook

## **Interdisciplinary Connections**

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LA.RST.11-12.3	Follow precisely a complex multistep procedure when carrying out experiments, taking measurements, or performing technical tasks; analyze the specific results based on explanations in the text.
LA.RST.11-12.9	Synthesize information from a range of sources (e.g., texts, experiments, simulations) into a coherent understanding of a process, phenomenon, or concept, resolving conflicting information when possible.
MA.S-MD.A	Calculate expected values and use them to solve problems
LA.WHST.11-12.6	Use technology, including the Internet, to produce, share, and update writing products in response to ongoing feedback, including new arguments or information.
MA.S-MD.B.5b	Evaluate and compare strategies on the basis of expected values.