Handout 02.14: Venture Risk Cards

Name: ___________________ Date: ________ Partner: ___________________

Directions. Cut the seven cards apart (or your teacher has). Read every card. Put them in a line on your desk from the safest to the riskiest. Then write your risk guess for each ticker on the cover of your Investor Journal: no risk, low, medium, or high. Be ready to defend your order with a line from a card. Nobody learns what these ventures “really are” until Day 9.

Print one set per pair. Cut on the lines. The teacher key at the bottom is not for students until the reveal.

Card 1: Sparkstone Mines (SPRK)

Picture cue: a mine shaft with a bolt of lightning above it.

Sparkstone Mines digs crystals out of the mountains of the Golden Land. When a new crystal seam is found, the price jumps. When a shaft floods, it drops just as fast. Prices swing wildly week to week. Sparkstone has doubled in a season before, and it has lost half its value in a week before.

Starting price today: AQ48.50

Card 2: Cloudberry Expeditions (CLDB)

Picture cue: a hot-air balloon over clouds.

Cloudberry Expeditions is a brand new company that sends sky explorers to places nobody has mapped. Nobody knows yet if the expeditions will find anything. If they do, the price could go to the sky. If they do not, the company could run out of money. It is the youngest venture on the street and the hardest to predict.

Starting price today: AQ32.75

Card 3: The Iron Vault (IRON)

Picture cue: a heavy iron door with a keyhole.

The Iron Vault is an old bank that borrows money from merchants and pays it back with a little extra, on a schedule. The extra is small and steady. The price barely moves. The only real danger is if the Vault itself ever failed, and it has stood for three hundred years.

Starting price today: AQ100.00

Card 4: Crown Seal Notes (SEAL)

Picture cue: a scroll with a wax seal and a crown.

Crown Seal Notes are promises from the Crown itself. You lend the kingdom money; the kingdom pays you back with a small, guaranteed extra. The Crown has never missed a payment in the history of the Golden Land. The price moves less than any venture except one. The extra is small.

Starting price today: AQ98.50

Card 5: Willowbrook Grove (WLLW)

Picture cue: a young tree with a few apples.

Willowbrook Grove is an orchard. Trees grow slowly. Some seasons are better than others, and a late frost can hurt a harvest, but over many years the grove has always grown. It is built for merchants who plan to wait a long time and do not need the money soon. It is not built for a quick profit.

Starting price today: AQ55.00

Card 6: The Honeypot Coffer (HNYP)

Picture cue: a honey jar with a lid, and a small coin on top.

The Honeypot Coffer is a strongbox that pays a small, guaranteed amount every window, no matter what happens on the street. It has never lost a single AQ. It has never made anyone rich either. You can take your money out any time.

Starting price today: AQ100.00

Card 7: Meadowgold Acres (MDOW)

Picture cue: a farmhouse with fields and a rain cloud.

Meadowgold Acres owns farmland and buildings across the Golden Land. Rent comes in every season. Storms, droughts, and new roads change the value of the land, up and down, more than an orchard and less than a mine. When the whole street has a bad year, land drops too, but usually not as far as the mines.

Starting price today: AQ72.00

Starting prices are the Fortune Street starting values from Sal's README. *[Sal: update from the live site's Day 1 prices.]*

Teacher key

Do not hand this out. The "what it really is" column is the Lesson 2.19 reveal. The order below is from safest to riskiest; the middle two (WLLW and MDOW) can be argued either way, and that argument is the point of the sort.

Order	Ticker	Venture	Risk level	What it really is
1 (safest)	HNYP	The Honeypot Coffer	No risk	A high-yield savings account at a bank: guaranteed small growth, never loses, money available any time
2	SEAL	Crown Seal Notes	Low	U.S. Treasury bonds: lending to the government; the safest investment that exists; small interest
3	IRON	The Iron Vault	Low	Corporate bonds: lending to a stable company for a little interest; boring and safe unless the company fails
4	WLLW	Willowbrook Grove	Medium (long-term)	An IRA or retirement account: grows slowly over decades; built for time, not for a quick gain
5	MDOW	Meadowgold Acres	Medium	A REIT, a real estate investment

				trust: a slice of buildings and land; rent comes in, value moves with the economy and the weather
6	SPRK	Sparkstone Mines	High	A big tech company's stock: large swings, big potential, big losses
7 (riskiest)	CLDB	Cloudberry Expeditions	High	A startup or IPO stock: a brand new company; could soar or run out of money

Accept any student order that has HNYP, SEAL, and IRON in the bottom three and SPRK and CLDB in the top two. Whether Sparkstone or Cloudberry is riskiest is a fair argument: Cloudberry is younger and less known (riskier by most measures); Sparkstone swings harder in the simulation's price path.

In the crisis (windows 25 to 32 in Sal's schedule), SPRK and CLDB fall 15 to 25 percent a window, IRON and SEAL barely move, HNYP does not move, WLLW dips and recovers quickly, MDOW drops 5 to 10 percent. That is the whole risk ladder in one week.