**Discussion Forum 1 Questions: “The Millionaire Next Door” Please Read Introduction and chapters 1-3**

1. Explain the following four concepts addressed in The Millionaire Next Door:
2. “Big Hat, No Cattle”
3. “Go to H\*\*\* Fund”
4. “PAW”
5. “UAW”
6. What are the two concepts that you found most useful? How will you apply them into your life? In your own words, give your thoughts in a minimum of two paragraphs.
7. As a group, we believe that education is extremely important, what percentage of millionaires referenced in the book hold college degrees? Advanced degrees?
8. What would be some of the ideal occupations for millionaire’s sons and daughters that are represented in the book?
9. What is the formula referenced in the book to determine if you’re wealthy?

**Discussion Forum 2 Questions:**

1) What do we mean by “Time Value of Money”?

2) What is compound interest? How is compound interest related to Time Value of Money (TVM)?

3) What 2 factors most affect how much people need to save to achieve their financial goals?

4) Why might an investor require a greater expected return for an investment of longer maturity?

5) Why is the interest rate in a Time Value of Money (TVM) calculation sometimes referred to as the discount rate?

6) Why might you use the anticipated rate of inflation as the discount rate when calculating Present Value?

**Discussion Forum 3 Mutual Fund Project**

Please select your mutual fund and enter the ticker symbol into morningstar.com, all of the answers to these questions can be found on the Morningstar website.

Please answer all of the questions:

1) What is the name of your fund and what is the ticker symbol?

2) What is the fund's investment strategy (i.e. large cap stock, small cap stocks, technology, etc.)

3) What are the funds past 1, 3, 5, and 10-year performance returns?

4) What is the fund's appropriate benchmark?

5) What are the fund's fees and expenses?

6) What is the fund's 3- year standard deviation (risk) of the fund and do you think this is a good estimate of the risk going forward?

7) What is the mutual fund's top 5 holdings?

8) What sectors is the fund overweight and underweight compared to its benchmark and category average?

9) Why did you select this mutual fund for this assignment?

10) Calculate how much money you would need to save every month in order to accumulate $250,000 in 15 years using the 10- year track record of returns from your fund as I/Y.

## Discussion Forum Rubrics (Maximum 10 points per Discussion Forum)

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|  | Exemplary (2) | Good (1) | Acceptable (.5) | Unacceptable (0) |
| **Focus on Topic (Content)** | There is one clear, well-focused topic for each of the discussion questions. Main idea stands out and is supported by detailed information. Student clearly able to respond to the post. | Main idea is clear but the supporting information and answer is generally lacking in the subject question. | Main idea is somewhat clear for the question but there is a need for more supporting information and different conclusions. | The main idea is not clear. There is a seemingly random collection of information. Student clearly missed the mark with the discussion question and reached incorrect conclusions. |
| **Support for Topic (Content)** | Relevant, telling, quality details give the reader important information and synthesizes multiple chapter concepts. | Supporting details and information are relevant, but one key issue is unsupported or requires additional clarification. | Supporting details and information are relevant, but several key issues are unsupported and student reached incorrect conclusion. | Supporting details and information are typically unclear or not related to the topic. Supporting information does not add to the clarity of the discussion. |
| **Grammar & Spelling (Conventions)** | Writer makes no errors in grammar or spelling that distract the reader from the content. | Writer makes 1-2 errors in grammar or spelling that distract the reader from the content. | Writer makes 3-5 errors in grammar or spelling that distract the reader from the content. | Writer makes more than 5 errors in grammar or spelling that distract the reader from the content. |
| **Sources (Content)** | All sources used for quotes and facts are credible and cited accuracy. | 1-2 errors made in selecting and citing sources used for quotes and facts. | 3-5 errors made in citing sources used for quotes and facts. | More than 5 sources used for quotes and facts are less than credible and/or are not cited correctly. |
| **Responses to asked questions** | Answers all questions | Answers 2/3 of questions | Answers 50% of questions | Answers < than half of questions |