

Assignments

Financial Plan Assignments

Understanding yourself is a critical part of investing. It is important that you understand not only your personal view of investing, but also your family view of investing.

Review the top of the investment hourglass. Where are you on the top of the hourglass? Are your priorities in order? Do you have adequate health and life insurance? Are you out of high-interest consumer and credit card debt? Have you written down your goals, are you living on a budget, and are you ready to begin writing your investment plan? Determine where you are and the steps you must take before you begin investing.

Review the principles of successful investing. Why do you think these principles are important? What can principles help us do to be better investors?

Review the risk and return history of the major asset classes. What asset classes would you include in your personal asset allocation?

Optional Reading Assignments

To help you understand what steps you must take before you invest, please read the following articles in the Readings directory of this website:

22. Charles E. Davis, "A Banker's Dozen: Guidelines for Wise Investing," *Ensign*, Sept. 1991, 64.

25. Joe J. Christensen, "Greed, Selfishness, and Overindulgence," *Ensign*, May 1999, 9.

Learning Tools

The following Learning Tools may be helpful to you as you prepare your personal financial plan:

16. A Risk-Tolerance Test

This document is a simple risk-tolerance test to help you determine a suitable level of risk for your investments. It has eight questions, and it explains how each question can help you understand your tolerance for risk. It also gives a few recommendations for asset-allocation targets, based on your answers to the eight questions.

21. Key Questions on Money in the Family

This document asks questions regarding how your views on money were shaped. It asks nine simple questions related to money; the answers to these questions can help you gain important insight about the events that shaped your views on money.

Review Materials

Review Questions

1. What are the ten principles of successful investing?
2. What questions should you ask before you begin investing?
3. Why is it important to ask these questions first?
4. Why is it important to understand the key principles of investing first before you begin investing?