### Activity: Phone a Friend

For this activity I asked members of my family what they believed money was. Their answers were all relatively similar to the definition given by the pre-work; however, there was more detail and confidence in the answers of the older members of my family.

**Activity: Find a set of Financial Statements**

One term I hadn’t heard of previously was ***comprehensive loss*** – which is defined as loss arising from any cause other than Collision.

Additional items contained in an official document are the issuance of notes, which I will do my own personal research on.

### Activity: Self-Research

The results of my google search: **market risk, credit risk, operational risk, strategic risk, liquidity risk, and event risk.**

Pertains to financial Risk: all of the above pertain to financial risk, only some are more closely related than others. For example, event risk is more-so the evaluation of external disasters commonly related to weather; however, this may largely influence financial factors.

Of the above types of risk, I find strategic and liquidity risk to be the most interesting. Strategic - because the success of a strategy might not be seen until much later. For instance, when apple unveiled the i-pod they had multiple Negative quarters, but was it a good strategic move? Liquidity risk - too many people buy homes without realizing their own illiquidity, what other circumstances might liquidity be an obstacle?

### Activity: Risk Reflection

An old business idea of mine was developing an automatic bike share system. I drifted away from it to focus on my classes in addition to the deterrence of the MANY risks it involved. In addition to all of the risks any business faces including market timing and garnering interest from consumers, the bike share business requires extra caution in risk management. One has to deal with theft of bikes, destruction of property, weather damage, fraudulent transactions, loss of property, and liability of consumer’s safety to name a few of the big ones. All businesses have risks, and It seems that new scooter share systems are spreading rapidly, but with all the risk they face I’m curious what their profit margins are.

### Activity: Ratio Deep Dive

***The Treynor Ratio*** is the (risk premium)/(portfolio Beta) , which measures the return per unit risk.

***CAPM*** – determines amount of return that is firm-specific taking into consideration market volatility.

One can simply compare the returns of portfolio’s but this only tells what is at the surface and says nothing about the risk involved. The mentioned equations and ratios give analysts the ability to judge if the return given the risk was better than another portfolio.

### Activity: Inflation Reflection

I am very interested in becoming a blockchain developer, the median salary of a blockchain developer according to zip recruiter is $124,500 per year. The inflation rate in 2021 according to usinflationcalculator.com was 6.2%, whereas the average inflation rate is close to 2%. Let’s assume that next year it increases by 2%. To keep up with inflation the median salary for a blockchain developer should increase by $2,490, but if we see another year like this one (6.2%) it would need to increase by a whopping $7,719.

### Activity: Calculate TVM

Option 2 is a no-brainer to eliminate

So between option one: with a semi-annually compounding interest of 5%

And option three: with a semi-annually compounding interest of 8%.

Despite a two-thousand-dollar difference in investment amount, the 8% interest option will vastly outperform the 5% interest option.

The answer is Option 3 “An investment that will be worth $18,000 after 1 year, compounding semi-annually at 8% interest”

### Activity: Portfolio Comparisons

The tools such as Sharpe Ratios, Sortino Ratios, Information Ratios, Volatility, and the CAPM model allow for a method of standardization so we may compare different investments which would otherwise result in an apples & oranges phenomenon. By isolating factors such as risk, may we come to a sophisticated comparison of portfolios. Each of the tools has an important use whether comparing investments in the same sector or of different sectors, all of which have an important place in the tool belt of a financier.

### Activity: Crunch Numbers on Crunchbase

One of the newest members of the tech spotlight is Opensea, whose Crunchbase description describes itself as “a peer-to-peer marketplace for crypto collectibles and non-fungible tokens”.

According to Crunchbase, they have a total funding of $127.2 M after 8 rounds of Funding, with their last funding round having been on October 2nd. I was interested to find out from their Crunchbase page that Ashton Kutcher was listed as an investor, Neat! Based on their reputation the size of their funding was not too shocking, especially as they are still Pre-IPO.