

What Would You Short?

The purpose of this activity is for students to think through what types of companies should be shorted, and why. Through developing their own justification for betting against a certain company or concept, students can develop criteria for shorting stocks.

Part 1:

Students should read the following fictitious company descriptions and, with a group or individually, decide whether or not they would short the stock. There is no right answer, but students should make sure they can justify their decision!

Ahppl: A new tech company selling smartphones, tablets, computers, watches and wireless earbuds. Remarkably similar to Apple, except Ahppl devices have 10% less battery life.

BioLife: BioLife has been around for 10 years, and has consistently developed well priced medical products for individuals with chronic illnesses. Their products are sold at pharmacies across the country, and are frequently promoted by doctors.

ClimateWatch: This corporation is very young and doesn't have much name recognition yet. It has also spent lots of money on research and development. However, their product is promising; ClimateWatch sells advanced technology to scientists and meteorologists tracking carbon emissions, greenhouse gasses, and the deterioration of the ozone layer.

SolarTech: SolarTech is a solar energy company that manufactures and installs solar panels. They have developed technology that improves the efficiency of solar panels by 30%. However, the company has faced lawsuits related to product defects and safety.

HealthMax: HealthMax is a healthcare technology startup that allows patients to access their medical records, schedule appointments, and communicate with healthcare providers. The company has received significant investment and has partnered with several major hospitals.

EcoFood: EcoFood is an organic food company that specializes in plant-based products. They market their products as sustainable and environmentally friendly alternatives to traditional meat and dairy products. While the demand for plant-based foods is growing, EcoFood has faced criticism for misleading labeling and questionable sourcing practices.

TechSecure: TechSecure is a cybersecurity company that provides solutions to protect organizations from cyber threats and data breaches. They have developed an advanced encryption technology that claims to be virtually impenetrable. However, there have been rumors circulating about a potential security vulnerability in their system.

Part 2:

Student groups should present their answers to the class, explaining how they came to each answer.