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INVESTMENTS FOR YOUTH

Gutov I.A., student gr. IBs-231, 1st course

Scientific supervisor: Rozhneva E.M.,

Candidate of Pedagogical Sciences, Associate Professor

T.F. Gorbachev Kuzbass State Technical University, branch in Kemerovo
Kemerovo

Theoretical part.

These days, young people are increasingly interested in the opportunity to earn passive income while spending a minimum amount of effort. Not a single business, not a single family budget, can do without investments. We consider this topic to be relevant among young people. Young people have almost no opportunity to engage in active work due to the fact that many are studying and are not financially independent. To conduct our research, we set ourselves the following tasks:

- find, select and systematize information about the term “investment”, their types and methods of work.
- give examples of investments and describe the mechanism of their work for young people.
- create questions for the questionnaire and conduct a survey of young people to determine their interest in this topic.
- calculate the results of the survey and draw conclusions on the stated experiment.
- propose and describe a version of a learning game on investing.

We began our work by defining the term “*investment*”. It comes from the Latin word “*investire*” – to dress. How exactly the word came to its modern meaning is unknown. There is a hypothesis that through the Italian language: bankers invested money, and thus the money, as it was, “changed clothes”, changed shape.

According to Wikipedia’s definition: ““*Investments*” are funds, securities, other property, including property rights, other rights with a monetary value, invested in objects of entrepreneurial or other activity in order to make a profit or achieve another useful effect” [4].

According to the definition of the textbook “Investments and Investment Activities” “*investments* are a key element that is the basis of the economic activity of Russian enterprises in the context of modernization of the national economy” [1].

There are many types of investments. The most famous and popular of which are divided by profitability, by term, by type of investor, by risk level, by investment object. We invite you to familiarize yourself with them in more detail.

Investments by income level are divided into *high-yield*, *medium-yield*, *low-yield*, and *non-yield*.

By type of investor: *public* (these are investments made by foreign companies or states), *private* (this is a way of investing one's capital in order to make a profit), *foreign* (investments that provide the investor with control over the business operations of the recipient company in another country, implying direct control over management or other assets of the investee company).

By investment period: *short-term* (these are deposits or shares that last 1-2 months), *medium-term* (these are deposits or shares that last 3-5 months), *long-term* (these are deposits or shares that last 6-12 months).

By risk level: *aggressive* (allows a reduction in invested capital by 25%. Typical for young investors with a stable income), *moderate* (allows a reduction in invested capital by 5%. The investor has little investment experience, so accepts a minimal level of investment risk), *conservative* (fluctuations capital portfolio – 0%. The main goal is the preservation and protection of capital).

By investment objects: *real* (investment in real estate, acquisition of a business, repurchase of copyright, etc.), *speculative* – investment in which profit is generated by changing the value of assets (purchase of shares, precious metals, foreign currency, etc.), *financial* – represent the purchase of part of the capital through the acquisition of certain financial assets (securities, loan obligations, shares in mutual funds) [2].

There are also other types of investments: banking, real estate, business projects, financial investments. When it becomes difficult to invest due to a lack of own funds, then it is possible to resort to debt financing through bank loans and debt obligations of legal entities and individuals.

There is also a need to say a few words about other investments that are suitable for both individuals and legal entities:

Shareholder investing is raising funds for investment by selling shares of a company.

Budgetary investment is investments made from budgets of various levels in the form of funds in the production of new products and services within existing industries.

Leasing – Long-term rental of equipment or real estate. Mortgage is a type of pledge of real estate. Venture financing is a long-term (5-7 years) high-risk investment of private capital [3].

With the information presented above, we solved the 2 tasks we set above, namely: we systematized information about the term “investment”, their types and methods of work, and gave examples of investments, described the mechanisms of their work for young people.

Practical part.

In addition to describing the types of investment and their features, we also set ourselves the following task: to compose questions for the questionnaire and conduct a survey of young people to identify the interest in this topic of 1st and 2nd year students of KuzSTU, KemSU, DSTU, KMK. In this regard, it was decided to

develop a questionnaire and conduct a survey of students. The survey was attended by 1st and 2nd year students studying in the field of study 23.05.01 “Automotive technology in transport technologies” and 1st year students in the field of study 21.05.04 “Mining Engineering”, 10.05.03 “Security Analysis of Information Systems”, 38.03.04 “State and municipal management: social and production sphere” and others.

The survey questions are aimed at identifying students’ awareness and interest in investments and investing. The survey questions were as follows:

- indicate your age
- indicate your gender
- Indicate the specialty or profile in which you are studying
- Do you consider the topic of investing to be relevant among young people?
- Do you have investment experience?
- What type of investment, in your opinion, could be accessible among young people?
- What types of investments, in your opinion, are more profitable and less risky?
- Do you have the necessary level of information to invest?

A total of 56 student profiles were analyzed, of which 64.3% were young people and 35.7% were girls. Among the 56 people surveyed, 83.9% consider the topic of investing to be relevant among young people. Regarding students' awareness of investing, only 41.1% of students have the necessary level of information to invest. Among the students who answered questions about this topic, 66.1% of people do not have any experience in investing, although they would really like to try. As for the areas in which you can invest, among those available, the most popular one was in terms of profitability, with 41 people voting for this option. In second place are two types: in terms of duration and level of risk; 21 people voted for this option. And in third place are investments by investor type, with 17 people voting for this option. Taking into account the survey responses, among young people, the most profitable and less risky are investments in real estate, which amounted to 57.1%. Bank investments took second place, their percentage is 42.9%. Students choose business projects least of all when choosing where to invest in order to increase profits and have as few risks as possible 28.6%.

Based on the survey results, it became clear that most young people would like to invest, but do not do so due to the fact that they lack knowledge and experience in this area.

To solve the last practical problem, we developed the game “Investment Opportunities”, which will help young people gain knowledge and experience in investing without risking their finances.

Game “INVESTMENT OPPORTUNITIES”.

Rules. Each player receives a bank card containing 15 thousand in-game rubles. The task of each player is to increase the capital received. The winner is the one who earned more money on his investments than other players.

The next step is for players to draw game cards from 2 game decks (“Business Plan”, “Bank Offers”) for a total of 1 to 2 cards at the player’s discretion. You can take no more than 1 card from each deck. Next, players choose where to invest and how much they will spend on it (for this you will need a card with money). You can invest not only in the project chosen by the player himself, but also in the investment projects of other players. To do this, players must exchange their proposals. In order not to forget where to invest, players need to use pen and paper to record where and how much they invested, and what their expected income is. If the player does not have enough money, he can turn to the bank for a loan (using the “Bank Offers” card) or to his parents for financial help (using the “Family” card).

The banker then rolls a dice with risk factors that apply to all players.

- The “revolution” edge means that the financial exchange has broken down and all the investor’s money has disappeared.

- The “inflation” edge means an inflation rate of 50%.

- The edge “tax increase 10%” means that the player’s profit will decrease by 10%.

- The “counterparty action” edge means that the player loses profit.

- The “currency rate” edge means that the dollar has increased in price by 20%, and the euro by 50%. The value of the ruble decreased accordingly by 35%.

- An empty edge means financial stability in the business market, the player calmly withdraws his income.

For example: player 1 invested in a bank deposit. But the risk factor that appeared on the “political situation in the country” die (revolution) broke the entire financial exchange. This means that the investor's money has disappeared. Then the turn passes to the next player, because the previous player lost the opportunity to invest.

If player 1 has money left on his next turn, he can invest again. If the entire investment portfolio is “burnt” and the player has no more money, then he drops out of the game. Based on the results of the first round, the leading banker makes calculations.

The goal of the game is to learn how to invest in order to make a profit.

Equipment: cards, risk factor cube, toy money.

Participants: from 2 to 6 people can take part in the game. Each player performs his own game role:

- Investors. The goal is to get rich.

- Banker. The task is to make calculations, roll the “Risk Factors” dice, offer loans, help as a family (if necessary).

- Businessmen. The goal is to attract investment in your business.

Preparing for the game:

- 1) select the place where the cards with “Banking offers”, “Business projects” and “Family” will be placed.

- 2) give each player bank cards.

- 3) place the cards in the appropriate cells.

4) choose someone who will be a banker in the game - he will make calculations, roll the "Risk Factors" dice, offer loans, help as a family (if necessary).

5) prepare a piece of paper and a pencil or pen to record your investments.

The developed game featured 12 business projects, named: "car showroom", "parking lot", "online clothing store", "furniture store", "computer club", "cinema", "travel agency", "burger", "cafe-confectionery", "children's camp", "pharmacies", "hardware store". In our article we will describe only some of them, which we present below.

Business projects:

1) car showroom

Opening your own car sales business (car dealership) can bring good profits if managed properly. A number of factors correspond to this. Firstly, despite declining economic growth and falling solvency of the population, people always buy new cars. Secondly, currently most car dealerships are closing after the crisis in 2014-2016. This opens up a larger market share for new players and dealers to take over.

- The amount of initial investment is 17,932,000 rubles
- Monthly profit - 920,000 rubles
- Payback period - 19 months
- Break-even point – 2 months
- Return on sales - 9%

2) furniture store

Furniture belongs to that group of consumer goods, without which the existence of a modern person is impossible. In addition, existing furniture production technologies, a variety of styles and designs, as well as logistics, have made available to the majority of the country's population types of furniture that were previously the privilege of wealthier citizens.

- Payback period is 10 months
- Initial investment will be equal to 1,720,000 rubles
- Break-even point is reached in the 3rd month of store operation
- Average profit per month is 195,000 rubles

3) computer club

Currently, opening a computer club is a profitable business, despite the fact that almost every person has their own PC. There are a number of reasons for this. Firstly, computer game lovers prefer to gather in one place to play online games. Secondly, people go to Internet cafes in order to collect information on the Internet, as well as communicate on social networks, if for some reason this cannot be done at home. Thus, opening a computer club is a promising business.

- The amount of initial investment is 1961100 rubles
- Average monthly profit 132,000 rubles
- Payback period 15 months
- Break-even point 1 month
- Sales return 31%

Conclusions.

In the course of our research, we were able to systematize information about the term “investment”, their types and methods of work. Examples of investments were also given, and the mechanisms of their work for young people were described. Using a survey, we received data that most young people would like to invest, but do not do so due to the fact that they lack knowledge and experience in this area. As a rule, researchers associate the investment risks of young people with poor awareness in the field of finance and economics, lack of initial capital, and high investment risks coupled with a lack of investment experience. Also, young investors may have problems due to negative risk factors, such as inflation, exchange rates, political situation in the country, taxes, actions of counterparties, or, conversely, they may be very lucky in the case of a well-chosen investment consultant, as well as the type and investment volumes.

This fact contributed to our decision to start developing an investment opportunity game that would help young people gain knowledge and experience in investing without risking their finances.

In the author’s developed game “investment opportunities,” the goal of which is to learn how to invest for profit, 12 business projects were presented (of which three are presented in the article). The rules, necessary tools and player capabilities are described. A further vector of our research could be testing this gaming technology and, by receiving feedback from students learning to invest through the game, possibly finalizing the game.

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