

## Banking Game - Where to Invest?

Aim: To have as much money as possible at the end of the trading period.

### Scenario

You are living in Zambia with Zambian Kwacha.

In your group you have managed to access some money (somehow - maybe you are the rich owners of some natural resources that Zambia has).

Your task is to decide how to invest this money and where.

### THE GAME

You have \$10million worth of Kwacha to invest.

The game will last for a period of 6 years. Each month you will be able to make an investment decision of where to put your money. The outcome (how much money you make) will depend on your choice and then the roll of the dice.

Round to the nearest 0.25 million will be used to make the splitting up and calculations.

You will need a dice. Alternatively, you can use a virtual one:

<http://www.teacherled.com/resources/dice/diceload.html>

The options to invest **each year** are as follows-

1. Zambia banks offer a return of 6% on your savings at the end of the year. However, Zambian banks are risky. There is a 50% chance your money will go missing this year and you will lose it ALL to the corrupt bankers.

***(1-3 you lose; 4-6 you get 6%)***

2. Zambian stocks and shares - returns will depend on their performance – there is an equal possibility of a -15% return, -10% return, -5% return, 5% return, 15% return or a 30% return.

***(corresponding to 1-6 in order)***

3. No-questions-asked Swiss bank. Return guaranteed of 0.25% at the end of the year. These banks are very trustworthy!

***(no need to roll)***

4. No-questions-asked Cypriot Bank- return of 2.5% at the end of the year. However, the Cypriot financial sector is very weak right now; in 2012 the Cypriot Government seized 10% of all financial assets owned by foreigners to help payback debt. There is a 1/6 chance HALF the money you have invested may be lost.

***(1 you lose; 2-6 you get 2.5%).***