LEVEL 2 OF 5 OF THE CAPITAL VALLEY GAME

The financial markets: funds, shares and interest rates, and what makes the value of an investment move

Class	From Grade 11 (US) / Year 12 (UK), ages 16-17
Duration	1 session of 55 minutes
Prerequisites	Level 1 finished and its review seen, in class or at home
Materials	A web browser. Nothing to install, no student account, no personal data collected.

A level runs for 12 turns, about 30 minutes of play, and covers a year in the life of an investor. This sheet covers level 2, which closes the Foundation course and ends with a review.

Place in the curriculum

Curriculum fit: **how a competitive market works** and **how economic agents finance themselves** (shares, interest rates; Grade 11 (US) / Year 12 (UK), ages 16-17). Also the foundations of international trade and the internationalisation of production (Grade 12 (US) / Year 13 (UK), ages 17-18).

Concepts covered: geographical diversification, specific risk and market risk, globalisation and value chains, interest rates and asset prices, macroeconomic indicators.

Objectives of the session

By the end of the session, students can:

1. Tell a fund (a basket of companies) from a share (a single company), and explain why the share swings further in both directions.
2. Explain that one and the same event touches a company, its sector and its region to different degrees.
3. Explain why a rise in the interest rate pushes down the price of every listed investment, without a single company having changed.
4. Justify an investment decision spread across several regions of the world.

How the game works

Each student looks after a virtual portfolio. Every turn brings one or two news items (official announcements, rumours and so on), an investment decision, and then, on the following turn, the consequences, explained by an "Understand" sheet. A virtual adviser, a character in the game, introduces everything new and comments on the results. Nothing in the game is left to chance: the world is the same for every student in a game, only their decisions differ, and that is what makes a rigorous debrief possible.

What level 2 makes students live through

These moments are guaranteed in every game, but this sheet says neither when they come nor how they turn out: the teacher can build the debrief on them, and a student who reads it gains nothing. The

companies and the stories drawn depend on the game; their mechanism does not.

- Arrival in New York: three regional funds open (USA, Europe, Asia), then the World fund, a weighted average of the three regions that shakes less than any of them. News about a region's economy: globalisation, trade, indicators, currency.
- On the third turn of the level, the accounts of the previous level are published: the results season, one news item and one market card on everything listed, good, mixed or disappointing depending on the game.
- The stock market opens during the level: the first shares (real companies, about six) join the funds. The virtual advisor explains what a share is: more potential, more risk. A share's move ripples onto its sector, its region and the World, with decreasing amplitudes.
- Stories now last several turns: a news item, a first move, a follow-up item, an outcome. Most keep their promise; at least one turns around: a fall, a hope, then the rebound or the disappointment.
- Interest rates move, one way and then the other. The virtual advisor explains the cost of money; the savings account's rate changes, and everything listed reacts the same turn, without any company having changed.
- A rumour about a share swells, then is confirmed or proves unfounded.
- The level review, then a word from the virtual advisor: at level 3, stories will not always say who they are about.

Minute-by-minute plan (computer room)

1. Picking up (5 min). Each student reopens their game. A one-sentence reminder of the level 1 review: who beat the savings account, and thanks to what.

2. Guided opening turn (5 min). On the projector: the virtual advisor's brief and the three regional funds. A quick question before everyone confirms their decision: "spread across the three regions, or pick the one that inspires you? Why?"

3. Independent play up to the review (25 min). Students move at their own pace. Two freeze-frames, in one sentence, without interrupting the game: when the stock market opens ("a share is not a fund: who is buying one, and on what grounds?") and on the turn when everything listed moves at once ("everything moved on the same turn: write down why, we will come back to it").

4. Class debrief (12 min). Working from the reviews on the students' screens, a discussion guided by the questions below. Show of hands: who spread across the three regions, who took the World fund, who bought a share as soon as the market opened, who sold at the first dip of the story that turned around.

5. Summary (8 min). Four lines to write down: a share moves harder than a basket; an event spreads from the company to its sector, its region and the World; the interest rate is the yardstick for every investment; a story has a beginning and an end.

Flipped classroom

What to set at the end of the previous session: "play level 2 for next time, about 30 minutes; write down the turn when everything moved at once and why, along with your result at the review and your best decision". In the next session, 20 minutes of debrief with the same questions, then the summary.

Questions for the class

- On one turn, every fund and every share moved the same way, with no company news at all. What had changed? Why does the savings account's rate weigh on the price of everything else?
- One event hit a company, its sector, its region and the World with four decreasing percentages. Why does the share move more than the fund? What do you buy in addition with a share, and what do you give up?
- Who bought a share as soon as the market opened? On what grounds: the name, the news, the sector? Was that an investor's criterion or a consumer's?
- Who spread their money across the three regions? Who took the World fund? Did it move less than the regional funds? Why does an average shake less than each of its parts?
- A story turned around: a fall, a rescue rumour, then the rebound or the disappointment. Who sold at the first dip? Who bought the trough? At the time, was the rescue rumour worth an announcement?
- The rumour about a share: who acted before the outcome? Is a rumour about a single company more or less risky than a rumour about a whole sector?

Ways to take it further

- Next session: level 3, shares and bonds. Previous session: level 1.
- Research activity: pick a real company from the game and find, in this week's press, a news item that would have moved its price; then say whether it touches the company alone, its sector or its region.
- Taking part in Global Money Week (March) with a tournament between classes.

Practical information

- Access: https://capitalvalley.app/education
- The student version needs no account, no email address and no personal data. Suitable for use in school, in the computer room or on a smartphone.
- Teacher contact: education@capitalvalley.app