**-Your Written Report may be submitted in essay format**

**APA bibliography/citation format required (20% of mark deducted for**

**missing in-text citations and bibliography)**

**Research Assignment: 1000 – 1200 Words; 4-5 pages typed, double spaced**

**(In Times New Roman 12pt.)**

**Note: A 5% per day mark deduction will be applied for late reports;**

**Choose *1* of the following subjects for your Research Assignment**

1. **Money:**

Money has evolved and been used from its initial emergence in the form of various commodities, including cowrie shells, salt, and metals for as long as we can trace civilization. We are now undergoing a significant transformation of money into distributed crypto-currencies (eg. Bitcoin) and centrally controlled central bank digital currencies (CBDC – eg. Digital Yuan). While Bitcoin does satisfy the main functional requirements as a form of money, it is mainly seen as a store of value and is treated as a speculative asset. Many governments, concerned with this rapidly growing decentralized form of money, are scrambling to either try and ban it (USA, India) or to closely regulate it (China, Canada, EU etc). See <https://www.youtube.com/watch?v=Cnz2oo8MRas>).

At the same time many countries are developing their own central bank digital currencies.

* Explore and explain the main differences between de-centralized cryptocurrencies and central bank digital currencies.
* Will governments be successful in banning Bitcoin? Why/Why not?
* How will this evolution in money change our financial/currency markets?
* Do you envision the value of Bitcoin increasing or decreasing over the coming years? Indicate why.

1. **Stocks and Stock Markets:**

In early 2021 a retail chain of videogame stores called GameStop became a main financial news story when a group of retail level day traders (many of whom were young videogamers), congregating on the subreddit discussion board (called “Wallstreetbets”), decided to start a movement to purchase the stock of GameStop, in addition to many other so-called “Meme” stocks (eg. AMC, Blackberry, Nokia etc.) At the time, with over 3 million users on this discussion board, tens of thousands amateur traders began purchasing this stock – driving its price up from $5 to $347 in less than a month. Most of their purchases were made on the popular no-fee trading app called Robin Hood. A main reason for this action was based on a number of people wanting to “stick it” to Wall Street hedge funds who were trying to make a fortune by short-selling a beloved videogame store. One of these hedge funds, Melvin Capital, lost over $3 billion on this “short-squeeze” executed by these amateur stock day traders. The emergence of these “free” trading platforms (RobinHood, Wealth Simple) has opened up the markets to individuals, who until recently, had little exposure or access to the stock markets.

Traditional financial analysis methods, largely categorized under the tools called Fundamental and Technical Analysis, seem to be either ignored or partially employed by most of these amateur day traders.

* Do you believe fundamental analysis tools are still useful in today’s so-called “Meme” stock trading platforms and markets? Why? /Why not?
* Do you believe technical analysis tools are still useful in today’s so-called “Meme” stock trading platforms and markets? Why? /Why not?
* The Robinhood trading platform eventually banned trading in GameStop. Was this a legitimate action on their part? Why/Why not?
* Do you believe the name Robin Hood (“stealing from the rich to give to the poor “) is an appropriate name for this free trading platform? Why? /Why not?
* Do you believe the public interest ( ie. amateur day traders) is being properly served by the US regulators (ie. The SEC) in this type of mass market stock trading? How? /How not?

1. **Derivatives and Financial Markets:**

A term named “financialization” has become an important one in describing the rise in power of a range of financial institutions in the global economy. Most prominently both the world’s central banks and the private banking institutions are becoming implicated in the colossal debt being created and its association with the increasing income disparity on this planet.

**-** What role have financial derivatives played in this increasing power and importance of global financial markets?

**-** How has this contributed to the fact that fewer than 50 individuals control 50% of the world’s wealth?

**-** Who wins and who loses in this environment?

**-** What role does debt play in this expansion of “financialization”?

**-** What role have Hedge Funds played in this?

The research paper will be graded based on:

- the breadth of research done and insights uncovered

- the level of understanding of the subject material

- how well material is related to concepts covered in the course

- the logic and organization of the report