



EDUCATIONAL PROGRAM

**BEGINNERS: INVESTOR PROTECTION
AND RISK CONTROL IN ONLINE
TRADING**

DURATION

13 HOURS

EDUCATOR

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1. BEGINNERS: INVESTOR PROTECTION AND RISK CONTROL IN ONLINE TRADING

- The Purpose of the Program

The “Beginners: Investor Protection and Risk Control in Online Trading” educational program aims to offer a unique and complete knowledge solution to novice users of investment apps and platforms, safeguard investors from both apparent and hidden risks, and help them to develop knowledge and skills that will allow them to take well-informed investment decisions.

2. Targets/Goals of the Program

Upon completion of the program, the attendees will be in the position to

Learning Area: Knowledge

1. Describe what is an Online Investment/Trading Platform or App.
2. Name the 3 main features of an Investment/Trading Platform.
3. Explain how Investors make profit from trading derivative contracts.
4. Describe the advantage and the disadvantage of using Leverage.
5. Choose which category of asset is suited to the Investor’s objectives.
6. Name the 3 main ways/checks that involve reducing the risk of being scammed.
7. Explain how execution quality of client’s orders affects the risk of increasing the costs for trading.
8. Describe why it is important to choose a regulated Investment Firm.
9. Refer to the hidden risks associated with transaction costs.

Learning Area: Skills

1. Download and Use an Online Investment/Trading Platform/app.
2. Place trades on the Platform and understand the metrics associated with the Money Invested.
3. Calculate the charges related to Investing and assess both the apparent and hidden related risks.
4. Assess if a derivative contract is suited for their investment objectives.
5. Design an investment strategy based on the category of the underlying asset.
6. Take buying or selling decisions that will minimize the transaction costs and risks involved.
7. Make the appropriate risks checks before opening any Investment Firm / Client Account.
8. Apply the risk mitigation steps to safeguard their investments during the Investment journey.
9. Analyze the Price Charts and describe the reasons the price moved rapidly.
10. Apply 3 ways/checks that involve reducing the risk of being scammed.
11. Make use of the Investment Platforms and Apps responsibly, taking into account all risks.

Learning Area: Attitudes

1. Accept losses as part of the investment process.

2. Judge whether investment decisions taken individually or on a group level are based on risk assessment.
3. Defend their trading strategy decisions confidently showing metrics and calculations of costs and benefits.
4. Present the wrong investment decisions with examples.

3. Time Schedule of BEGINNERS: INVESTOR PROTECTION AND RISK CONTROL IN ONLINE TRADING

UNIT 1: Online Investment Apps & Trading Platforms (2.5 Hours)

1.0. Introduction and Meeting (10m)

- Meeting with Attendees-Icebreaker
- Presentation of purpose and targets of the unit
- Contract of Commitment

1.1. Financial Software Developers (40m)

(Reference to the terms describing what is Financial Software and the reasons of use of that software and related apps)

- Lecture - Marketing about Financial Products Everywhere!
- Brainstorming
- Lecture - Online Trading/Investment Platform and Usage
- Worksheets-Team Exercise
- Discussion

> Break (15m)

1.2. Brokers and Financial Markets (45m)

(Explanation of the term Financial Intermediary, Broker and Derivatives, such as CFD Products, that are used for trading/investing)

- Lecture - Investment Firms Providing Investment Services /Brokers
- Worksheets-Team Exercise
- Lecture - CFD Brokers
- Worksheets-Team Exercise
- Questions and Answers
- Discussion

> Break (15m)

1.3 Investment/Trading Platform (45m)

(Explanation on where Investors, as clients of Investment Firms, find and download an Investment Platform. The use of the Platform and placing trades will be part of the learning process)

- Lecture- Investing in Assets and Derivative Contracts
- Work sheet-Download /Use of Investment/Trading Platform
- Individual Exercise: Place a trade/Invest using a CFD

Closing of Unit 1 (10m)

- Summary Report of knowledge and skills acquired
- Conclusions
- Evaluation: Program, Trainer and Conducting Conditions

UNIT 2: Trading/Investing with CFDs and the Risks Involved (2 Hours)

2.1. What are Contracts for Difference (CFDs)? (35m)

(Reference to CFDs as Investment Products and the Costs associated with doing transactions with such products)

- Lecture - Brokerage Firms and CFDs
- Questions and Answers
- Worksheets-Team Exercise
- Lecture – Transaction Costs
- Questions and Answers
- Worksheets-Team Exercise
- Discussion

2.2. Trading CFDs Prices and Costs (35m)

(Explaining the essential order execution features such as BID and ASK prices and spread when entering CFD positions and the costs associated with them)

- Lecture- BID, ASK and SPREAD
- Worksheets-Team Exercise
- Questions and Answers
- Discussion

> Break (15m)

2.3. CFDs and Risks (40m)

(Referring to the benefits but also to the risks associated with the use of a Margin Account and Leverage)

- Lecture- Margin Account, Leverage and Risks Involved
- Worksheets-Team Exercise

- Questions and Answers
- Discussion

Closing of Unit 2 (10m)

- Summary Report of knowledge and skills acquired
- Conclusions
- Evaluation: Program, Trainer and Conducting Conditions

UNIT 3: Asset Classes & Unique Risks (3 Hours)

3.1. Available Asset Classes Online (25m)

(Reference to the Underlying Asset categories and the CFDs currently available to investors for trading)

- Lecture: Underlying Assets and Categories
- Questions and Answers
- Worksheets-Team Exercise
- Lecture: CFDs Categories Tradable
- Questions and Answers
- Worksheets-Team Exercise
- Discussion

3.2. Foreign Exchange CFDs (25m)

(Explanation of the Foreign Exchange Market and the nature of their CFD offering. Reference to the factors driving the FX Market and how Investors can mitigate FX risk)

- Lecture: Forex / Currency Pairs
- Questions and Answers
- Worksheets-Team Exercise
- Lecture: Factors affecting FX
- Brainstorming
- Lecture: FX risk mitigation
- Questions and Answers
- Worksheets-Team Exercise
- Questions and Answers

> Break (15m)

3.3. Commodities CFDs (30m)

(Reference to the term Commodities and explanation of how this market is affected. Real Life examples and historical prices of how factors like the Covid Crisis affected the market and what opportunities and Risks existed related with Investments)

- Lecture: Commodities Categories and Pricing

- Questions and Answers
- Worksheets-Team Exercise
- Lecture: Commodities Risk vs Reward
- Questions and Answers
- Worksheets-Team Exercise
- Discussion

3.4. Indices CFDs (30m)

(Reference to the term Indices and explanation of how these formulas is constructed and their nature as a product. Reference to risks and benefits from investing in them and the risk exposure difference against stocks)

- Lecture: Major Indices
- Questions and Answers
- Worksheets-Team Exercise
- Lecture: Indices Risk and Rewards
- Questions and Answers
- Worksheets-Team Exercise
- Discussion

> Break (15m)

3.5. Shares CFDs (30m)

(Reference to what are Shares in the primary and secondary market, how CFD allows for short-selling them and how companies affect their prices. Explanation of the degree of risk associated with Shares investing and real-life example of the impact of a driving factor on the price)

- Lecture: Shares/Stocks Prices and Value
- Questions and Answers
- Worksheets-Team Exercise
- Lecture: Share's Value Driving Factors and Risk
- Questions and Answers
- Worksheets-Team Exercise

3.6. Crypto CFDs (30m)

(Explanation of the Crypto Market and the CFDs created for Cryptocurrency. Reference to the differences with Fiat Money, the major risks involved when trading Crypto and unexpected volatility)

- Lecture: Crypto vs Fiat Money
- Questions and Answers
- Worksheets-Team Exercise
- Cryptocurrency CFDs Risks
- Questions and Answers
- Worksheets-Team Exercise

- Discussion

> Break (15m)

Closing of Unit 3 (10m)

- Summary Report of knowledge and skills acquired
- Conclusions
- Evaluation: Program, Trainer and Conducting Conditions

UNIT 4: Apparent and Hidden Trading/Investing Costs (1.5 Hours)

4.1. Costs for Trading/Investing (45)

(Reference to the Costs associated with Account Setup in an Investment Firm and the Hidden costs that you are not aware of. How to avoid being scammed and take appropriate steps to safeguard you funds)

- Lecture – Account Setup and Activity Costs
- Questions and Answers
- Worksheets-Team Exercise
- Lecture – Investing Account Hidden Costs
- Questions and Answers
- Worksheets-Team Exercise
- Discussion

> Break (15m)

4.2. Costs Related to Position Opening/Investing (45m)

(Reference to Spread and the hidden costs that your account will incur. Explanation of transaction costs such as commission and swap, how Trading Sessions play a role to risk mitigation and how to avoid extra unnecessary charges)

- Lecture – Spread, Asset Classes and Hidden Costs
- Questions and Answers
- Worksheets-Team Exercise
- Lecture - Volume Traded and Commission
- Questions and Answers
- Lecture – Swaps/Charges and Hidden costs
- Questions and Answers
- Worksheets-Team Exercise
- Discussion

Closing of Unit 4 (10m)

- Summary Report of knowledge and skills acquired

- Conclusions
- Evaluation: Program, Trainer and Conducting Conditions

UNIT 5: Investment Services Regulation & Investor Protection (2 Hours)

5.1. Investment Firms (IFs) and Technology Providers (35m)

(Reference to the types of brokers that exist in the Industry and the Liquidity Providers. Explanation of how execution quality is affected by the type of broker and its execution policy, and eventually the impact on the investor)

- Lecture – Types of Brokers and Liquidity Providers
- Questions and Answers
- Worksheets-Team Exercise
- Lecture – Execution of Orders
- Questions and Answers
- Worksheets-Team Exercise
- Discussion

5.2. Regulation and the Legal Framework (35m)

(Explanation on the importance of Regulation in the Financial Services Industry. Reference to the competent authorities and their impact on the industry)

- Lecture – Risk and Regulation
- Questions and Answers
- Worksheets-Team Exercise
- Lecture - Regulation Impact on the Industry
- Questions and Answers
- Worksheets-Team Exercise
- Discussion

> Break (15m)

5.3. Regulatory Authorities (40m)

(Reference to a regulated and legit Investment Firm. Giving example of the procedures, policies and relevant law followed by legit brokerage businesses. Show the steps of how to verify with third-party website and services the legitimacy of the brokerage)

- Lecture: A Regulated and Legit Investment Firm
- Questions and Answers
- Worksheets-Team Exercise
- Lecture – Verifying with the Third-Party the Legitimacy of the Business
- Worksheet-Assignment
- Discussion

Closing of Unit 5 (10m)

- Summary Report of knowledge and skills acquired
- Conclusions
- Evaluation: Program, Trainer and Conducting Conditions

UNIT 6: Price Analysis and Risk (2 Hours)**6.1. Charts and Prices (30m)**

(Explanation of how historical prices can be depicted on charts)

- Lecture – Types of Charts and Depiction of Historical Prices
- Questions and Answers
- Worksheets-Team Exercise
- Discussion

6.2. Candlesticks and Timeframes (30m)

(Reference to the various types of charts depending on the chosen features and timeframes)

- Lecture – Candlestick formation and parts
- Questions and Answers
- Worksheets-Team Exercise
- Lecture – How Timeframes form a Candlestick and the Chart
- Questions and Answers
- Worksheets-Team Exercise
- Discussion

> Break (15m)**6.3. Position Size and Risk (30m)**

(Explanation of how to correctly calculate the value of price moves depending on position size and assess the impact of such moves on the Investors funds. Reference to the importance of timing when deciding when to invest)

- Lecture – Calculations and Expectations
- Questions and Answers
- Lecture – Timing of Investing and Opportunities.
- Questions and Answers
- Worksheets-Team Exercise
- Discussion

> Break (15m)**6.4. Expectations (30m)**

(Reference to statistics and probability as important in estimating the return on investment/trading. Explanation on what is the thinking behind closing and opening positions related to price moves and how the transaction costs worsen the profit-making expectation)

- Lecture – Timing and Probability
- Questions and Answers
- Worksheets-Team Exercise
- Lecture -Timing and Distance
- Worksheet-Assignment
- Discussion

6.5. Risk and Costs (30m)

(Reference to the limitations of the Platforms and Charts in regard to transaction costs and metrics. Explanation of how certain market conditions create risks when trading CFDs or Investing long-term in their underlying assets)

- Lecture - Trading Costs and Strategy Risks
- Lecture - News, Reports and Volatility Risk
- Questions and Answers

> **Break (15m)**

Final and Closing Meeting (1 Hour)

- Summary: Report of acquired knowledge and skills.
- Conclusions: Linking goals to work area.
- Evaluation: Program, Trainer and Conducting Conditions

4. Research Tool for Individual Training Needs

The individual needs survey will be conducted using a questionnaire (**Annex 1**). The questionnaire aims to investigate the demographic, social, educational, professional, and special characteristics of the trainees. It explores the knowledge, skills and needs of each trainee in the field of education, previous work experience, their learning motivations and collects information on the areas that need further training and support. With this approach the program will be configured and adapted effectively.

5. Icebreaker of Unit 1 (10m)

The purpose of the Ice Breaker is to help us all get to know each other better and to make everyone feel more comfortable, so that it is easier for trainees to learn. The training technique that I will include in the icebreaker is the brainstorming with a differentiation. I will write a particular phrase on the board and ask the trainees to join groups of 2, get to know each other and think of writing on their worksheet 3 words that come to mind about this phrase. Then they will come to the board one after the

other, will introduce themselves and will mark with a marker the words they have thought of, without exclusions, at the same time explaining their thought. The purpose of the process is to cultivate critical thinking, the exchange of ideas, the mapping of the subject, the grouping of ideas and the enlightenment of the aspects of the subject.

6. Program Learning Methods

- a) In-person training so that there is direct contact and better communication.
- b) Learning through mobile telephony (Searching for valid information, building attitudes and teamwork, opposing views with evidence that supports them).

7. Program Learning Techniques

a) Lecture / Presentation

This technique refers to concepts of the teaching unit and at the same time uses slides that will help the trainees to understand them.

b) Questions – Answers

For active participation of trainees and formative evaluation during the unit.

c) Brainstorming

An open activity that will give the opportunity for all trainees to take part, to make it possible to record ideas / opinions, to see conflicting views and to create categories of topics.

c) Work sheets in teams

The trainees will be divided into groups of 2 and will work on an exercise that will motivate the trainees to use the new knowledge to evaluate situations related to the topic and will help to achieve the learning objectives. There will thus be an opportunity for cooperation, exchange of ideas and experiences, encouragement of expression and friendship among the trainees.

8. Program Learning Means

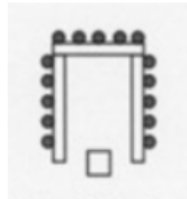
1. **Computer** for the use of presentation software.
2. **Microsoft PowerPoint** presentation software.
3. **Educational manuals** that have content for reading and Worksheets.
4. **Projector** to be used for presentation.
5. **Learning Board** on which the topics discussed in the course will be listed.

9. Program Learning Materials

1. **USB Digital Data Storage Device.** It contains the training material that will be used for the presentation of Microsoft PowerPoint media.
2. **Markers.** Will be used by trainees in different colors to help categorize information during the icebreaker.
3. **Stationery.** So that trainees can fill in the worksheets.
4. **Clicker control.** For changing the slides of the presentation.

10. Training Venue Layout

Rectangular Shape Π layout to provide an opportunity for interpersonal communication, to create a climate of teamwork between trainees and to create an easy and direct approach by the trainer.



11. Type of Evaluation

1. The type of evaluation to be used in the section is the **Final / Report Evaluation**. It will be conducted at the end of the module in order to assess whether the objectives and purpose of the module have been achieved. The trainer and the training area are also evaluated (**Annex 3**).
2. **Formative Evaluation** will be conducted during the unit through the questions / answers, discussion and generally through the interaction of the trainees and through the exercises that take place after the end of the lecture with the completion of the teaching for application, practice and learning of new knowledge and skills.

12. Evaluation Axis

1. **Training content:** ask questions about the content offered, whether the objectives have been achieved and reference to points that need improvement.
2. **Trainer:** if he / she has sufficient knowledge, if he / she used appropriate methods, if he / she had contagion, good communication and if the educational material he / she used was complete and up to date.

3. **Training space and conditions:** if the space was easily accessible and suitable, if the layout was comfortable, if the necessary means were available and sufficient and if the conditions were satisfactory.

4. **Trainees:** If there was a response and receptivity, friendliness, and cooperation from the trainees and if the learning objectives have been achieved.

5. **Organization of training:** if the communication with the organization providing the training was satisfactory, if the time and frequency of breaks were satisfactory if it had sufficient training material as well as if there was a suitable structure.

13. Program Evaluation Tools

- **Questionnaire (Annex 3)** that will be examined and will assess the satisfaction of trainees from the program.
- **Quiz-Diagnostic Essay (Annex 2)** which will show the effectiveness of the program in achieving the learning objectives.
- **Activities / practical exercises** for the application of new knowledge during the program.

14. Program Evaluation Techniques

- **Quiz-Written Examination (Annex 2).**
- Final Evaluation-Distribution of the **questionnaire (Annex 3).**
- **Observation**, throughout the course, work test and feedback.