Discuss the factors affecting the choice of investments. Paper details Part I: Investing Behavior: Begin this lesson by completing the interactive investor profile questionnaire at Investment Risk Tolerance Assessment. According to this instrument, explain what kinds of investments should you consider. Also include a profile for yourself as an investor. Make sure you analyze and discuss the various types of investors and where you fit in. What else can you find out about investing behavior--for example, does your profile change over time as you age or does it remain the same? How would your profile assist you and your financial advisor or investment advisor in planning your portfolio? Part II: Recognizing Fraud What is a pyramid scheme and what is a Multi-Level Marketing plan (MLM)? How do they differ, if at all? See if you can find online information regarding an illegal pyramid schemes and a legal MLM scheme. How can you recognize an MLM if you are approached to get involved with one? Have you ever participated in or invested in either an MLM or an illegal pyramid scheme? Why are fraudulent pyramid schemes naturally unsustainable? Who are the victims? Provide a diagram illustrating the dynamics of pyramid schemes. Part III: Famous Scandals What is a Ponzi Scheme and how do you recognize one? Next, survey the Web site of a 2009 60 Minutes CBS broadcast on the Madoff affair, which includes articles, video, and links in this YouTube Video, 'The Man Who Knew' . According to this site, who discovered the Madoff fraud and then discuss how he discovered it? Who were Madoff's victims and what were some common elements among the individuals who participated in this scheme? Next, visit the support group Web site created for the victims and report on what you found interesting. In the CBS video, how did Madoff defend himself? Read a Read a Journal article that explains how Madoff's Ponzi scheme was able to succeed. How did biases in regulatory oversight contribute to the fraud? Sample some of the videos of the congressional hearings on the Madoff scandal. Why did representatives and senators eventually focus their criticism on the Securities and Exchange Commission?