

## To a Matter on the Features of "Stock Market Training" in Russia

*Sergey Alexandrovich Motuz*

National Research University "Higher School of Economics", St. Petersburg, Russia

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**Abstract:** Training methods and techniques are becoming increasingly important in the Russian and international educational practice as tools for education modernization and development. International studies show a direct dependence of the effectiveness of training on the learning technologies and methods, among which an important place is occupied by stock simulators used in the learning process. The author emphasizes that this innovative technology has been successfully applied in the preparation of specialists in different fields, allowing developing competences of trading activities and improving analytical skills and teamwork. It helps to fill gaps in the organization of education in "Exchange business". S.A. Motuz, based on the opinion of a number of domestic and foreign researchers, concluded that "Stock Market Training" is an effective tool complementing education in Russian universities and significantly improving its quality. This is primarily due to bridging the gap between theory and practice. To prove the point, the author cites the opinions of the participants of the "Stock Market Training" in 2012.

**Key words:** Stock simulators • Simulation games • Innovation in education • Financial and economic simulators • Effective learning tool • "Speculation" (Stock Market Game) • The stock market • The stock market online simulator • Trading competences • Analytical skills • Professional trader environment • Stock market information searching skills

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### INTRODUCTION

The importance and relevance of work with stock simulators in the educational process is difficult to overestimate. This is stated in the earlier works of the author [1]. This opinion of this simulation game in particular was reflected in the position of UNESCO, which noted the "Stock market Training" as a good example of the use of stock simulators and trainings for learning.

Also, it is well known how much attention is paid by the government of our country to innovations, including innovations in education [2]. Therefore, in recent years, due to the course for the modernization of Russian education in higher education system of Russia there is a search for new effective methods of teaching, which a priori are innovative [3-7].

A striking example of the above innovations is training simulators. They are successfully used in the preparation of pilots, navigators and professionals in many other fields of human activity [4, 5, 7-14].

The main difficulty in creating of such simulators is to bring trainings with them maximally close to real

conditions. In this regard, the financial and economic simulators are in a privileged position as an economist often runs on a computer and it is much easier to simulate the elements of his professional work. In connection with this the idea of stock simulators went further.

To our great satisfaction such an effective learning tool as "Stock Market Training" (a vivid example of stock simulators) is available to the students and masters of the leading Russian universities (Saint-Petersburg State University of Engineering and Economics, National research university of higher school of economics-St. Petersburg). We will briefly describe the simulator in question-"Stock market Training."

"Stock Market Training" is an exciting competition of student stock teams in making money in the stock market, carried out remotely via stock Internet simulator. This game has a wide coverage - 45 000 students from most European countries, which proves the extensive testing and a high degree of efficiency. Among other things, "Stock Market Training" primarily allows to:

Establish and develop skills and competencies of the trader

- Hone skills of analytical work and processing of information, including the Internet
- To improve teamwork skills and develop leadership qualities.

Strongly marked pedagogical effect of "Stock market Training" comes from the immersion of the participants in the professional trader, stock-market environment. This allows participants to achieve better results with the help of "practice through doing."

The features appropriate to each particular country are bound with the aforementioned broad geographic diversification of "Stock Market Training". Features of "Stock Market Training", in particular in Russia, are due to the following country-specific:

- The specifics of learning in universities of Russia.
- The specifics of developing Russian stock market.
- The specifics of the national mentality of investors.

Let's turn first to the first subparagraph. Learning in Russian economic bachelor is often of too "generic", "economy-wide" character, while the practical professional skills and techniques are given, at least for now, little attention. "Stock Market Training" is clearly and effectively eliminates the mentioned above gap in the organization of education in "Stock exchanges".

It is also easy to see the following gaps in education of today's students:

#### **Lack of Professional Skills and Competences**

**In Search of the Stock Information:** Obviously, the "Stock Market Training" helps to eliminate the above shortcomings. In support of the driven point of view, we refer to experience of an active participant of "Stock Market Training" 2012, Rinat Safiulin. Rinat has marked the considered skill of searching the exchange information, specific information, professional in particular separately in the respective survey. "This skill definitely helps to save time and more professional competitiveness, because the stock market means: "Opportunity only knocks once."-the above mentioned respondent noted.

**Regarding the Use of Analytical Data on the Internet:** Modern trends indicate the movement of key exchange and economic data to the Internet. In this regard, the importance of their effective use is disproportionately increasing. "Stock market Training" trains the skills of effective use of information, as evidenced by the above view of the respondent.

In particular, he highlights the importance of work with the company's websites-potential targets of investment, as well as the relevance of the following foreign information sources JSTOR, Annual Reviews, Science Direct. Members of the "Stock market Training" particularly noted the importance of working with databases (resources of the World Bank, OECD, IMF)

**In Terms of Predicting Stock Prices:** As popular wisdom, "if wishes were horses beggars might ride." In respect of the trader activity this thesis is relevant now more than ever. It is on the accuracy of the predictions the efficiency of portfolio investment depends largely, of both institutional and individual investors. The fact that the "Stock Market Training" develops skills of forecasting is proven by opinions of its members. Here are some of them:

- Participation in the "Stock Market Training" allowed developing skills of prediction of the stock market situation to a certain extent. First, in order to understand what might happen in the future, you must first have an idea of what is happening now and what happened in the past. Work in exchange team taught to pay attention to the current state of the stock market, both in Russia and abroad and allowed to explore the historical data for the securities market. Having both historical data and knowledge of the current situation on the stock market allows conducting so-called sensitivity analysis-while tracking the news when a certain important event it is possible to analyze how this event will affect the stock market, macroeconomic performance, the value of specific securities or stock indexes.

If a particular event, which takes place at the moment, has also happened in the past, the possession of historical data allows us to compare the influence of this event at the moment and in the past period. All this in the construction of own investment strategy or development of rules for trade in the stock market at certain events, makes it possible to carry out a so-called backtesting-examination of an investment strategy based on historical data and analysis of the effectiveness (in terms of profitability) of signals that the strategy shows.

- While participating in the "Stock Market Training" I have studied the theoretical foundations of various forecasting methods used to predict the stock prices on the stock market, including technical and fundamental analysis. Thus, the lack of theoretical knowledge was overcome in the field of investment in the stock market caused by the absence of diversity of disciplines of that profile in the university program. In addition, in the course of participation in the Stock market Training, I had the opportunity to practice data forecasting methods, taking investment decisions on the basis of the analysis. The problem of application to the practice of earlier obtained knowledge was partially fixed as well as comparative characteristics of the studied techniques. The use of both types of analysis, in practice, resulted in the conclusion on the feasibility of a combined approach to forecasting, which includes the elements of fundamental and technical analysis, as well as statistical and econometric methods, in particular autoregressive models of time series analysis. Also, concerning to separate techniques, it was possible to optimize application of certain tools in modern conditions: to adapt intervals and other parameters of sliding averages and oscillators for analyzed shares.

As seen above, participation in the "Stock Market Training" develops skills of forecasting of its participants.

**Lack of Mathematical and Economic Training:** "Stock Market exchange" does not impact this shortcoming. It must be eliminated by other means.

**Lack of Psychological Preparation for Exchange Activities:** "I can calculate the trajectory of a celestial body up to seconds and centimeters, but cannot determine where this crazy crowd will chase the exchange rate next time", the great Isaac Newton wrote about the importance of psychological factors.

Trainees of "Stock Market Training" particularly note the importance of factors that are associated with the psychology of the person, direct bidder-the trader. Trainings in science and study group "Investment Strategies" with the use of simulator "Stock market Training", allowed them to learn to reasonably assess the situation with the securities and not to succumb to such feelings as fear, uncertainty, panic and greed. Skills to overcome these feelings and negative qualities only come

with experience and in this case being engaged in scientific educational group using simulators has played a significant role. Participation in the stock game has made it possible to study the typical situations in which there were feelings of the above, as well as the ability to analyze the situation and make the right investment decision.

**Lack of Teamwork Skills:** In the process of teamwork participants of "Stock Market Training" in practice feel synergies from their activities. "What is not possible for one ant-is quite capable for the organized nest.", - the active participants of the "Stock market Training" 2012 note. If because of the lack of experience one individual student may not meet the challenge of the complex investment analysis, then exchange team copes with this task very well, primarily due to the distribution of tasks and functions. It is important that the work of the group is properly organized. And here the "Stock market Training" again provides its members with a unique opportunity-independently select the leaders. And identified this way leaders can develop managerial competence of themselves.

The fact that the "Stock market Training" helps in the development of managerial and organizational skills is demonstrated by the following views of its members:

- As a team captain, while participating in the "Stock market Training" I have improved my leadership skills, ability to coordinate actions within the team, using the strengths of each of the participants to achieve a common result, not only in practical plan, but also in the curriculum. The experience of brainstorming was very useful, when each offered shares for investment and justified their choice, at last, due to this I was able to develop the skills of sided view of the situation and choosing the most optimal combination of the options. I think each of us have learned something new and useful in the joint participation in the Stock market Training.
- Participation in the "Stock Market Training" showed that the decisions made by the team, are often more effective than individual decisions. In particular, at the panel discussions of current macroeconomic challenges and situation on the market of securities, each member of the scientific and educational group expressed their assumptions about the causes of the current situation in the market, as well as possible future ways of further course of events.

Thus, the work in exchange team made it possible to carry out the so-called scenario analysis, in which there also was the opportunity of expert determination of probabilities of each possible variants of course of events. In such trainings and the team discussions the picture of discussed phenomenon was clear in general, not just on one of its sides.

Teamwork skills were important with the participation in the "Stock market Training" during the identification of suitable emitters for investment. Again, each participant of the exchange team has reported his arguments in favour of one or another issuer and offered his vision of the future situation on the European stock market. This approach made it possible to approach the problem of selecting objects for investment from different sides, which gave us an opportunity to assess possible risks and thus minimize possible losses. Thus, participation in the "Stock market Training" helped to develop the skills of teamwork and to increase its efficiency through the ability to find multiple solutions to problems and the ability to listen to other team members.

The above arguments clearly show that "Stock market Training" is an effective tool to supplement education in Russian universities and significantly improve its quality. This is primarily due to bridging the gap between theory and practice, development of skills and competencies of participants, that are extremely useful in practical professional activity at the stock market.

In order to confirm the above, here are the views of the participants of the "Stock market Training", illustrating the usefulness and relevance of these trainings.

- "That was a very rewarding experience. It was impressing, that we managed to personally touch the Saint of all saints for financiers-the stock exchange. "
- "Stock market Training" is definitely a useful experience for the student, especially of economic University and studying stock markets in particular. Not just useful, but you could say necessary experience-how to expand the overall knowledge and also for better understanding of the functioning of the market and in particular for the development of analytical skills. That is why I did not hesitate to take part in it. Only time will tell how far as I will go in this aspect, but I will acquire new knowledge in any case.

At this stage, I acquire information with interest within and outside the stock exchange game and learn to discourse. "

- ""Stock Market Training" helps you to understand working principles of the stock market better. We, the students, become aware of previously unknown companies and rudiments of fundamental analysis as a discussion of news, as well as the macroeconomic situation help with the skills of analysis and prediction of price movements and stock indexes. What else do you need for being happy :-)"
- "Stock Market Training" is a great way to try your hand in the stock market and feel like a real trader. Though the account is virtual, emotions are quite real. In addition, you can finally test your own knowledge in practice and find out what you are worth. "

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