

BUSINESS

Q&A Wall Street Beat

by scott johnson

certified financial planner

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Dear Scott:

Are my investment expectations realistic?

Amy

Dear Amy:

That depends on whether your expectations are in line with the investment goals you've set for yourself.

Example. There are many ways to achieve growth — over-the-counter stocks, zero coupon bonds and equity stock options are just a few. But what about the risks involved? If your objective is growth and you want a relatively safe investment, is it realistic to expect that zero coupon bonds are going to help you achieve with stock options?

Of course not. But you'd be surprised how many investors often forget that they can't maximize income, growth and safety all in one investment. You have to set priorities. You have to expect that if you want the reward — if you want an investment to appreciate significantly in one year, which is possi-

ble with certain investment alternatives — you must be willing to assume the risk that goes with it.

In essence, the most important part about setting realistic expectations is that you'll never be satisfied as an investor until you set them.

Dear Scott:

What portion of my assets should be in cash?

George

Dear George:

Let's begin by defining the word *cash* or *cash equivalents*, such as money market funds.

Cash is anything in which your principal is liquid and not subject to penalty if you want to withdraw your money.

For example, money in a CD would not be considered cash because your principal is subject to interest penalty if you want to liquidate before maturity.

Now that we have a clearer definition of cash, let's answer the question, how much of one's assets should be in cash?

There are no hard-and-fast rules. Some financial advisors recommend the equivalent of two months' salary. Others recom-

mend a reserve totaling three to six months' income.

In deciding what's best for you, it's important to consider how much cash you need to feel comfortable. If you're married with a family you may feel more comfortable knowing that you have a large nest egg to meet a number of possible unexpected emergencies. If you're single, or married with no children, you may need less because you have fewer dependents and responsibilities.

It's up to you. Just keep in mind that the amount that you decide upon should be based on circumstances that might require immediate cash. Cash on hand should principally be viewed as an emergency financial reserve. To use it for something more is to not make the most effective use of your assets.

NOTE: Scott Johnson is a graduate of finance at UNLV and is a certified financial planner with Shearson Lehman Brothers Inc. If you have any investment questions, drop them off at the Yellin' Rebel, third floor MSU.

Attention Hotel College!

The Nevada Restaurant Association and the Nevada Hotel and Motel Association will sponsor its eighth annual industry trade show and convention, Oct. 19-21, at the Riviera Hotel, Las Vegas. Admission to the trade floor is free to Hotel College students.

This convention features 164 exhibitor booths that highlight products and services to the restaurant, hotel and casino industries, and also includes the latest computer sys-

tems to the best in food products.

One of the featured events at the NHMA is the "Culinary Capers," an incredible display of food and spirits prepared by the finest restaurants in Nevada. This featured event will be held Oct. 20, at 6 pm. Tickets for this highly regarded event are \$15 in advance or \$20 at the door.

For additional information call 878-9272 or 878-2313.

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Food Service Executives Association is a professional, fraternal and educational organization of students who are interested in the food service industry. Joining IFSEA you will have the opportunity to meet noted chefs, see professional kitchens and restaurants, participate in food demonstrations and other educational opportunities. Membership in IFSEA is \$10 a semester. For additional information call 739-3933.

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UNLV Finance

Arthur S. Garr, Professor of Finance, UNLV, has been selected by the CPCU Harry I. Loman Foundation to attend the National CPCU Convention as an honored guest educator in San Antonio, Texas, October 10-14.

The National Society of Chartered Property and Casualty Underwriters annually selects a limited number of educators across the country to honor their

efforts and dedication in promoting insurance education awareness



UNLV Prof. of Finance
Arthur S. Garr
and professionalism.

Professor Garr is the first selected from the state of Nevada and is one of only 22 educators to be so honored this year.

In addition to his teaching duties at UNLV, Garr has expended much time as an instructor of continuing education and pre licensing insurance education and is an advisor to the State of Nevada in regards to insurance legislation.