



This document explains

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What does FTS include?

- The FTS System consists of the following software applications. They all come with online help, and the main trading systems also come with teaching guides.
 - **2 trading systems**
 - The *FTS Real-Time System*, where students manage positions of real-world securities at real-time prices. We run the entire back office (including handling the real-time data feeds). Projects that define the trading exercises are closely linked with what is taught in the classroom through our analytical support tools. These exercises are typically asynchronous, so students typically manage their trades on their own time. The FTS license includes access to the FTS Real Time Client.
 - The *FTS Interactive Markets* where students trade with each other in specially designed trading cases that tie a central function of markets, price discovery, to the concept being taught. These exercises are synchronous, in that all the students have to be connected to the market at the same time to trade with each other (though they don't have to be in the same physical location). The FTS license includes access to the FTS Trader and for moderators, the FTS Market.
 - The **FTS Modules**
 - The FTS Modules are "stand alone" teaching tools, or tutors, that allow students to analyze real world problems with real world data. The modules perform calculations that are difficult by hand or in a spreadsheet, and also visually

illustrate how techniques and concepts are applied in practice. The following modules are included:

- The Free Cash Flow Module
 - Valuation Tutor (lab installation only, 35 stations)
 - Efficient Portfolio Module
 - Factor Models Module
 - Historical Data Utility Module (moderators only)
 - Treasury Calculator
 - Interest Rate Risk Module
 - BDT (Black-Derman-Toy) Module
 - Bond Immunization Lesson
 - Principal Components Lesson
 - Option Payoffs Module
 - Binomial Tree Module
 - Limit of Binomial Module
 - Option Calculator
 - Futures Calculator
- The **FTS Display System** which you can use in trading rooms, lounges, or anywhere a fully customizable news and information display is desired. Our display is not just a data and news ticker; it also includes graphical content from our servers that create a rich information display. Access to the FTS Display System is for moderators only

What can be taught with FTS?

- FTS is used by high schools, in undergraduate courses, in Master's level and MBA finance courses as well as in quantitative finance courses. It is used to teach accounting, economics, and ethics. It is used in core courses as well as specialized and capstone courses.
- Our software, lessons, and projects focus on security valuation, portfolio selection, and risk management across a wide range of securities and markets. So you can use the system in virtually any finance course as well as courses in financial statement analysis and financial accounting.
- It easily fits into all of the following "standard" courses:
 - Finance:
 - Introduction to financial markets
 - Financial Management
 - Investments
 - Corporate finance
 - Options and futures
 - Risk management
 - Security Analysis/Valuation
 - International Finance
 - Fixed Income Securities

- Accounting:
 - Financial Statement Analysis
 - Financial Accounting
- Business ethics

What about research?

- The FTS Interactive Markets originally started out as an experimental research system. Our web site contains links to some papers that have been published using our system. We also have a separate experimental system that can be used to create a variety of experiments very simply; please contact us for details.

What about support?

- We provide both technical and academic support:
 - First, we provide technical support all the time; since we operate in about 20 countries, we are well aware of time zones; since we operate in over 75 schools, we are fully aware of issues with online courses and distance learning courses.
 - Second, we provide extensive instructional support in curriculum integration, **faculty-to-faculty**. We will analyze your course outlines, suggest various integration strategies, create new trading scenarios, and also modify the system over time to meet changing teaching needs. Our system was designed by professors and *academic support is provided by professors with many years of teaching experience*.

What does it cost?

- The current academic annual license fee is USD \$7500. This includes use of all parts of the system listed above. There are no “per-station” fees or any hidden fees for up to 50 stations.
- This fee also includes web-based training for instructors and teaching assistants, email and phone support. We also do on-site training of faculty.
 - If we are in the area, there is no fee for the on-site visit. If we have to arrange it specially, we only charge the direct travel costs (airfare and hotel).
- Other training can be arranged if you are attending any of the major finance or accounting conferences.

How does it differ from other systems?

- No one provides everything we provide, and certainly not in the same way. In fact, you should consider the cost of our system, the instructional support (provided by faculty), and the back office support in deciding on which system to use.
 - Our entire system was and continues to be designed by professors who have taught and continue to teach with it.
 - It is used by high schools, colleges, universities, and in executive education.
 - You get teaching support directly from fellow professors.

- Our system has wide applicability; our goal is not to “teach trading.” Instead, the trading simulations and cases and analytics are designed specifically to reinforce, integrate, and bridge the gap between theory and practice.
- The combination of interactive trading exercises, the modules, and the real-time position management exercises allow integration of the exercises into a very wide range of courses.
- In our real time system, all trade execution, including monitoring program trades and limit orders, is done in real time. The analytics, which directly link theory to practice, are also updated continuously. Instructors can pull up the performance of their students at any time (24/7).
 - Notes on the real-time system:
 - There are systems that let students trade at real-world prices, but these systems tend not to have real-time settlement, real-time reporting, or any analytics; the lack of analytical support means that your students are basically left with the difficult task of relating the theory to the practice.
 - Second, you should be aware that even if you subscribe to data, e.g. through a ticker, you may only have delayed data and you may not be able to use the data for any exercises. By contrast, we provide all the necessary data for the trading exercises we run and you do not have to subscribe to anything else, unless you want access to real time data for other purposes.
 - Notes on the interactive system:
 - The FTS Interactive Markets can be run at anytime from anywhere, and are easily run by the instructor. In fact, you can even run the system from your home or your office.
 - Our trading cases have been tested in the classroom for over 20 years, and are very extensive, ranging from basic cases to advanced valuation and risk management cases, and covering a wide range of financial securities.
 - Our new cases focus on systemic risk and ethics.

Do I need a trading room?

- A trading room has many functions, such as serving as a center of attention, bringing access live financial market information, and so on, which can confer many advantages. But essentially, the answer is no, all you really need are computers with high speed internet access. However, a trading room can add a sense of realism that is otherwise hard to replicate. If you do have a trading room, or are thinking of building one, we encourage you to think about how you will get the best return on the investment: how many faculty will be involved, how many different areas will be able to use it, how many different courses will be taught using the room’s resources, and

fundamentally, how many students will be able to benefit from the room. The keys to success here are faculty training and successful integration into a wide range of courses.

Can I get a demo?

- We can set up a web demo at short notice; all you need is a computer with internet access. Please contact us at fts@ftsweb.com or call 800-214-3480.