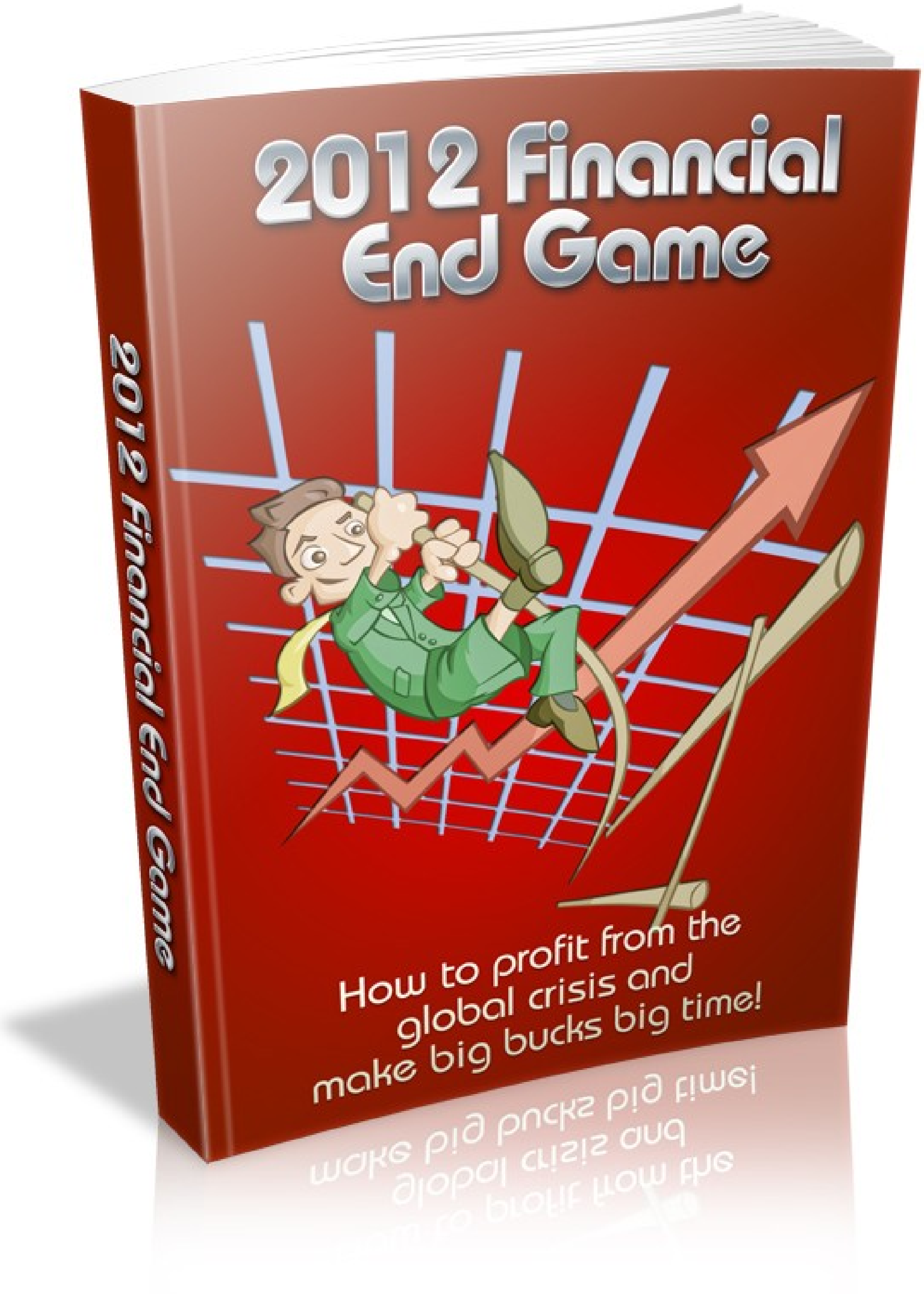
2012 Financial End Game
2012 Financial End Game
How to profit from the global crisis and make big bucks big time!

Terms and Conditions

LEGAL NOTICE

The Publisher has strived to be as accurate and complete as possible in the creation of this report, notwithstanding the fact that he does not warrant or represent at any time that the contents within are accurate due to the rapidly changing nature of the Internet.

While all attempts have been made to verify information provided in this publication, the Publisher assumes no responsibility for errors, omissions, or contrary interpretation of the subject matter herein. Any perceived slights of specific persons, peoples, or organizations are unintentional.

In practical advice books, like anything else in life, there are no guarantees of income made. Readers are cautioned to reply on their own judgment about their individual circumstances to act accordingly.

This book is not intended for use as a source of legal, business, accounting or financial advice. All readers are advised to seek services of competent professionals in legal, business, accounting and finance fields.

You are encouraged to print this book for easy reading.

Table Of Contents

Foreword

The current global financial crisis has its roots embedded in the collapse of the subprime markets in the United States. As at October 2007 there was an estimated loss on the subprime market of approximately $250 billion. If you want to come out on top, you have come to the right place.

2012 Financial End Game

How to profit from the global crisis and make big bucks big time!

Chapter 1:

Global Financial Crisis Basics

Synopsis

Whilst at that time the subprime collapse seemed catastrophic, the reduction in the subprime market was in essence relatively limited and was a localized event. The effects of the event though did not in fact remain limited and localized.

The Basics

There has since been an expected cumulative loss of $4,700 billion in world output associated with the crisis. The loss in world output represents a figure that is close to twenty times greater than the loss experienced in the collapsed subprime market.

Though this loss is considerable, the impact on the decrease in stock market capitalization from July 2007 until November 2008 alone was calculated to have been $26,400 billion which was one hundred times greater than the loss on the subprime market in the United States where the crisis actually began.

Two questions have to be asked. How was it possible for the subprime crisis in the United States to occur and how was it possible for such a relatively limited and localized crisis to have been able to cause a crisis of such magnitude to world earnings?

The basics would indicate that there were fundamental flaws existing in the scrutinizing of the subprime market. Very importantly, the risk of the assets was understated and the balance sheets of the derived securities were not transparent to those buying into the risk.

When the crisis began there were two amplifying mechanisms behind the crisis which accelerated the rate of collapse, firstly there began the sale of assets to satisfy liquidity and this was followed by the rapid sale of even more assets to re establish capital ratios.

The fact that the crisis rapidly spread globally was the result of the interconnectedness between banking institutions both nationally and internationally and the high levels of leveraging of the financial system as a whole.

Chapter 2:

Using Bonds

Synopsis

Whilst the term bond is mentioned and talked about considerably in financial circles few people outside of those circles really understand what a bond actually is. If we were to think of a bond as another form of an IOU it becomes easier to comprehend how bonds function.

About Bonds

A bond is a debt security in which the authorized issuer offers the holder a debt and depending on the terms of the bond the issuer is obliged to pay interest to use and or to repay the principal at a later date which is termed maturity.

A bond is in essence a type of loan. It provides the borrower with eternal funds to finance long term investments or in the case of Government bonds, to finance current expenditure.

Bonds offer much greater security than shares as there is virtually no risk involved. Bonds and treasury bonds are often utilized by investors when the stock market looks scary and unstable and there is a need for security.

Bonds perform differently to shares and move in the opposite direction of interest rates. When rates rise bonds fall and conversely when rates fall bonds will rise.

More complicated than shares, bonds come in an endless variety. For small investors considering debt investing the buying of bond mutual funds is advisable. Bond funds are free of the liquidity of individual bonds and investors can use them to diversify their holdings.

The security of bonds makes them a very attractive addition to any portfolio. The inclusion of bonds can keep a portfolio afloat. They are able to offer a cushion of stability against the unpredictability of stocks. People who are already retired or are entering retirement should ensure the inclusion of bonds in their investment portfolios as they will provide a certain income with minimal risk.

Chapter 3:

Cashing In On Precious Metals

Synopsis

There is much talk of investment in precious metals and investors might question why there is a move to this area of the markets. Precious metals are used to manufacture such every day commodities as coins and jewelry to name just two.

Gold And Such

With the increase in world population the demand for these items increases and the consumption of precious metals is so high that the high demand exceeds the supply and the price of the metals goes up. Investors who have investments in precious metals can see their investments go up too.

Although an investor could purchase precious metals in the form of jewelry and coins, the metal contained in those items is not always pure and sentiment may make it hard to dispose of a jewelry item.

Bullion purchase could be seen as a sound and conservative investment to make but there is the problem of storing it safely and it can be costly to do so.

Investing in a properly researched precious metals mutual fund can be the least risky way to invest and can yield good rates. Such funds can manage a variety of precious metals. They can also contain stock in mining and so offer diversification.

In unstable markets diversification is the key to stability and mutual funds can do that.

Precious metal prices are very volatile so most experts recommend investing only between two and ten percent. Of all the precious metal mutual funds gold funds are by far the most popular as gold has risen more than 200% since 2001. Gold's high performance as other stocks and bonds fall should make it appealing to all investors concerned about their investment portfolios.

There are risks and rewards with all investments but the current market and economy could make the investment in gold or silver mutual funds a very satisfactory addition to any investment portfolio.

Chapter 4:

Supply Information On Defeating Credit Card Debt

Synopsis

If a person is ever to be a successful investor it is essential that they first eliminate credit card debt. Interest rates charged on credit cards are very high and absorb money that could otherwise be invested.

About Charging

In order to eradicate a credit card debt it is first necessary to ascertain the exact size of the debt To evaluate the size of the debt all financial documents should be gathered together and the outstanding balances should be recorded together with the minimum amounts require to service the debt and the annual fees charged on the credit card should also be noted.

Attention then needs to be given to determining the total income after tax and the outgoings also need to be compiled and subtracted from the income to determine what is available to service the debt and any remaining cash should be used to reduce the outstanding balance on a chosen debt.

Should it appear that there are insufficient funds to meet debt repayments and reduction then it is necessary to look at two things.

Firstly it would be important to track spending accurately to see it would be possible to reduce spending in order to free up extra cash such as reducing spending on dining out. Secondly it may be necessary to earn extra income in some way.

There are two principal ways to use the surplus cash to work to debt eradication. Disciplined people can get ahead faster if after making all necessary monthly payments on all debts the surplus funds are then used to reduce the debt which has the largest interest rate and continue to do this each month until the debt has been paid off in full and then the same method applied to the second highest rate.

The snowball method is very popular and works in a converse way. With the snowball method after paying all monthly debt payments the surplus cash is used to repay the smallest debt and once that small debt has been eradicated the next smallest debt is paid off. There is a psychological benefit to employing the snowball method.

Chapter 5:

Supply Information On Budgeting

Synopsis

A budget is a plan of what money you expect to receive and how you expect to spend it. Everyone can benefit from having a personal budget.

Checking Your Cash

To make a budget you must first calculate your total income, and then add up your total expenditure and then work out the difference between the two. The result is either money left over (a surplus) or not enough money to cover your spending (a deficit). The aim is to try to make a surplus to have spare cash to save for goals or to reduce personal debt.

To make an accurate budget it will be necessary to have a note of all day to day spending. Keeping receipts off all expenditure will help with this.

All bank statements and bills will indicate where money is being spent on payments such as rent, hire purchase and power. It will also be necessary to include a list of any annual costs such as vehicle licensing, insurances, holidays and gifts. A list of all monies received such as wages, allowances, interest and benefits is essential.

If there is a surplus then a decision can be made on a percentage of the income that is to be saved to improve the financial position. If there is a deficit then it will be necessary to see how spending can be reduced or if it is possible to increase income.

There is a great deal of advice available on how expenditure can be reduced and this can be readily obtained free of charge from libraries and voluntary budgeting advisory services. Extra income can be obtained by extending the number of hours worked if that is possible or obtaining a better paid position.

If neither of those is possible then ways could be found to achieve a passive income such as taking in boarders or home stay students.

A most important thing to remember when drawing up the budget is that budgets which are too tight are less likely to be maintained well.

Chapter 6:

Learn How To Stay On Top Of Your Own Finances

Synopsis

Whilst it may seem like a chore and also rather frightening perhaps the simplest and most basic thing that we should all do is organize and maintain our own financial budget. This will enable us to eliminate debt and also to produce a surplus to surplus of cash for investment purposes.

Great Things To Know

Diversifying your investment portfolio is essential. Seek help from financial advisors to do this properly to be able to protect your assets.

It is important to find out your personal credit score. It may cost to make use of the services of a credit bureau but it is essential to find out how you stand.

Your credit score affects your life in so many ways such as your ability to be able to borrow and the rate that you will be charged to borrow, to be able to rent or to even win a job.

Once you know where you stand you can make informed decisions about how to improve your credit score. You must also fix any mistakes that are found in your credit history.

You should negotiate a better credit card deal. Variable credit rate is now 15%; if you are paying more you should negotiate with your credit card company for a better deal and be prepared to change company if they will not adjust.

Individuals should ensure that they are protected with the most affordable and effective insurances.

Wrapping Up

In these times of financial uncertainty and global financial crisis It is crucial that individuals are able to manage their own financial affairs to a degree and have an understanding of their own affairs so that they can make informed decisions about how best to protect their own financial assets. We must all educate ourselves to be able to be knowledgeable about our own finances and if do not understand we must be prepared to seek help.