TYCOON

USING THE PROGRAM

 If you haven't already done so, use the Setup and Loading Instructions on page 1 of this user's guide to set up Tycoon for your system.

 To start playing Tycoon from the DOS prompt, place your program disk in drive A, type **START** and press ENTER. The next thing you will see is Tycoon's opening screen. When you are done playing Tycoon, you will be returned to the DOS prompt.

YOUR FIRST SESSION

 The objective of Tycoon is to make a million dollars by speculating in the commodily futures market. One session of the game consists of 52 weeks of commodity price changes. Each week you will review the news, examine the price changes since last week, do research, and buy or sell the various commodities.   '

GROUND RULES

 When first playing Tycoon you will start out as a Novice with $10,000 cash. As a Novice you are limited to long positions and may only trade four types of commodities. As you buy and sell commodities, your net worth increases. Net worth, Tycoon's yardstick of success, is the sum of all your assets (cash and margin deposits), less your liabilities (taxes and commission obligations). As your net worth rises, so does your status and investment alternatives. For instance, when you reach a net worth of $15,000 your status is raised to Investor, and you may trade four additional types of commodities. When you become a Speculator at $30,000, you are able to take short positions. Remember: a long position is when you make money on a price increase, and in a short position you make money on a price decrease.

 Each commodity in Tycoon has a specific margin requirement. Margin is the good faith deposit you must put down in order to purchase a contract price. The commodities that a Novice can trade require a 10% margin. When your status increases to Investor the four new commodities that you can trade require only an 8% margin. Therefore, as your status increases, you are able to trade commodities that require smaller margin deposits. The smaller the margin percentage, the greater your chances for profit (and loss).

 Tycoon uses abbreviations for each commodity such as SOY for soybeans. These abbreviations are used when buying and selling commodities.

Tycoon

Figure 1 presents the six status levels, the commodities added as you achieve a new status, margin requirements, and commodity abbreviations.

FIGURE 1

Net Worth	Status	Commodity	Abrv	Margin
10,000	Novice	Soybeans	SOY	10%
		Wheat	WHT	10%
		Live Cattle	CAT	10%
		Pork Bellies	PRK	10%
		Long Positions Only		
15,000	Investor	Coffee	CFE	8%
		Orange Juice	OJC	8%
		Heating Oil	OIL	8%
		Lumber	LBR	8%
		Long Positions Only		
30,000	Speculator	May Take Short Positions		
90,000	Professional	Cocoa	COC	6%
		Gold	OLD	6%
		Silver	SLV	6%
		S&G Index	STK	6%
250,000	Broker	T-Bills	BL	4%
		Swiss Francs	FRC	4%
		Japanese Yen	YEN	4%
1,000,000	Tycoon	YOU DID IT!!		

Remember that as you rise in status you are allowed to trade additional commodities. For example, an Investor can trade soybeans or coffee, but with coffee he doesn't need as much margin deposit. When you reach a new status, Tycoon congratulates you and tells you what new commodities you can trade. Once you achieve a new status, it will not be reduced, even if your net worth drops below the required level. Tycoon allows you to advance only one status level per week. So if you are a Novice who suddenly makes a $100,000, it will take a few weeks to advance to the Professional level.

In the unlikely event that you lose so much money that you can't buy one contract, you will be declared bankrupt, your status will be reduced to Novice, and you will be given $5,000 and a clean slate to restart your quest for a million dollars.

Upon reaching Tycoon status, you will be given $50,000 to begin working on your next million. The objective, once you have become a Tycoon, is to find out how quickly you can earn another million. Be careful not to go bankrupt and lose it all!

At the start of each game, your computer creates a new commodity market environ-nii-iii. The environment consists of 52 weeks of commodity market price changes. You start out in the second week or January 8th. With each new week, the commodity prices change just like they do in the real market. On the 52nd week or December 22nd, Tycoon converts your holdings into cash. This amount, along with your status, is saved by the computer. You can then start a new 52 week previous session. Over a number of sessions, with a little luck and a lot of skill, you may become a Tycoon.

NEW AND SAVED GAMES

The computer can store up to 14 players' game statuses (end of session cash and status). If you want to stop a session before the 52nd week, you can store the complete game status, including the market environment and recall it later. Only one game can be saved on the disk at a time. If you have saved a game and subsequently your friend saves a game, the first saved game will be erased.

GETTING STARTED

The first thing displayed when you start Tycoon is the main menu. Here you have the option of starting a new game, recalling a saved game or seeing a demonstration. While we take you step-by-step through Tycoon, it is important that you sit in front of your computer with Tycoon up and running. Just do what we tell you and you'll be playing Tycoon before you know it!

A friend of ours, named Cheat, has graciously left a saved game on your disk. Cheat was a broker with $250,000 when he last saved his game. Let's use Cheat's saved game! Type SAVED and press ENTER. It will take 30 to 90 seconds, depending on your computer system, to recall the saved game.
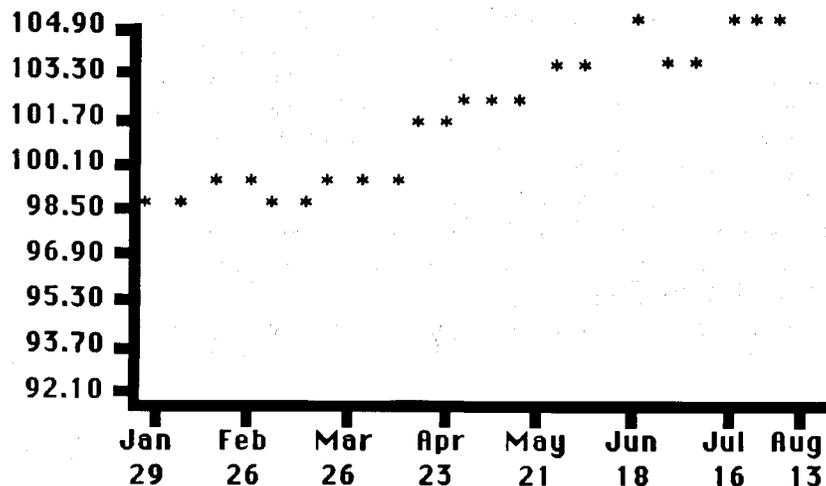
INDEX GRAPH

The first thing you will see each week is the commodity index graph (see Figure 2). The horizontal axis is the passage of time. The vertical axis is a weighted average of all commodity prices. This graph lets you know how the commodity market as a whole is doing. If the majority of the commodity prices are moving upward, the index graph will show this. Press the SPACE BAR to continue.

FIGURE 2

Commodity Index

Unit: Pts.

Press SPACE BAR to Continue

NEWS REPORTS

Next is this week's newspaper report as shown in Figure 3. News items can signal upward price movements, downward price movements or be inconclusive. Commodity price fluctuations in Tycoon are tied to these news items. If you properly interpret the changes in supply and demand that these news events signify, you will do quite well. Press the SPACE BAR to continue.

FIGURE 3

THE FINANCIAL JOURNAL

PORK DEMAND CALLED POSSIBLE SIGN OF EATING HABITS CHANGE.

RETAIL PRICE OF ORANGE JUICE COULD EASE AS SUPPLY GROWS.

SOYBEAN PRICE WATCHERS ARE MOSTLY BEARISH.

WEEKLY PRICE CHANGES

Figure 4 shows the weekly price changes for each commodity. This is similar to picking up the daily paper to see what happened to your commodity in yesterday's market. Reading from left to right, the table lists the abbreviated commodity name, the settling price of the commodity, the price change since last week, the pricing unit for each commodity, the dollar change per contract, and the highest price since the start of the session. The settling price is the current price of the commodity during the closest contract month (contract months will be explained a little later). Pricing units are abbreviated as follows:

CTS/BU	cents per bushel
CTS/LB	cents per pound
CTS/GAL	cents per gallon
$KBD/FT	dollars per thousand board feet
$/TON	dollars per ton
$/OZ	cents per ounce
PTS ($)	points or dollars
CTS/JY	cents per Japanese yen

FIGURE 4

WEEKLY PRICE CHANGES
(NEAREST CONTRACT MONTH)

Nam	Settle	Change	Units	$ Cont	High
SOY	676.1 *	-3.4	CTS/BU	-$170	753.1
WHT	282.8	-0.0	CTS/BU	-0.0	311.9
CAT	66.99	-0.53	CTS/LB	-$212	72.68
PRK	43.79	+2.09	CTS/LB	+$794	66.34
CFE	111.10	+2.03	CTS/LB	+$759	133.44
OJC	149.79	-1.41	CTS/LB	-$211	155.83
OIL	76.10	+0.94	CTS/GRL	+$396	85.36
LBR	214.61	+0.15	$KBD/FT	+$15	215.47
COC	2244 *	+62	$/TON	+$618	2244
GLD	372.00 *	-3.05	$/OZ	-$305	430.11
SLU	1547.3	-27.0	CTS/OZ	-$1350	1574.3
STK	115.28	+0.96	PTS($)	+$481	121.67
TBL	85.776	-0.060	PTS(%)	-%150	85.836
FRC	51.29	-0.39	CTS/SF	-$488	52.82
YEN	0.4670 *	+0.0042	CTS/JY	+$527	0.4670

There were 7 winners this week

Notice that an asterisk (*) is to the right of the settling price on several commodities. This indicates that the commodity price is at a new high or low price for the session. To determine whether it is a new high or low, compare the settling price to the high price. If the two are the same, the asterisk signifies a new high. If they are not the same the asterisk signifies a new low. Displayed at the bottom of the screen is the number of commodities, out of the 15, that moved up in price. A minus sign in the change column indicates that the commodity's price has fallen. The dollar change per contract ($/cont) indicates how much the value of one contract has changed since the previous week. Press ENTER to continue.

FIGURES

NET: $250000	AUG6	BROKER
CASH: $250000		CHANGE: +$0

MENU SELECTION

Fl	WEEK	Advance to next week.
F2	GRAPH	Display graphs.
F3	BUY	Take a position.
F4	SELL	Liquidate a position.
F5	PORT	Display portfolio.
F6	NEWS	Display news/price changes.
F7	COST	Display commodity prices.
F8	END	Save or quit game.
F9	DESC	Commodity descriptions
F10	HELP	Display menu

ENTER ACTION DESIRED

MENU SELECTION

You are now in the command mode as seen in Figure 5. This is where you research, buy, and sell commodities. An easy-to-understand menu is displayed at most times while you are in the command mode.

Displayed at the top of the screen is the status of your current net worth, available cash, the date, and your status. The item beneath your status requires special explanation. Change is the net cash flow change after any transaction. If you buy a commodity for $5,000, you have a negative cash flow of $5,000. If you advance a week and your commodities increase in value, you have a positive cash flow. Change is most helpful when you have purchased several different commodities, since it instantly calculates the net effect of all of that week's price changes on your commodities.

The prompt area at the bottom of the screen displays information requests and error messages. The center of the screen displays information while you are buying and selling commodities.

Pressing the first letter of each command results in the action described in the menu, for instance, pressing H for HELP redisplays the menu any time you are in the command mode. Tycoon allows you to use the function keys instead of the first letter of each command.

Let's go through some of the commands.

COMMODITY DESCRIPTIONS

Press D for DESCRIPTIONS and you will see the menu in Figure 6. Next, press 1 for soybeans. Figure 7 shows a complete description of soybeans, a little history, some supply and demand factors, and some specifics about the soybean contract The individual descriptions of each commodity is of critical importance in understanding the supply and demand factors that affect each commodity.

After reading the soybean description, press the SPACE BAR to continue. Once the menu in Figure 6 is displayed. Press X to return to the command mode.

FIGURE6

ENTER X TO RETURN TO COMMAND MODE

1 - SOYBEANS
2 - WHEAT
3 - CATTLE
4 - PORK BELLIES
5 - COFFEE
6 - ORANGE JUICE
7 - HEATING OIL
8 - LUMBER
9 - COCOA
A - GOLD
B - SILVER
C - S&P STOCK INDEX
D - 1 YR T-BILLS
E - SWISS FRANC
F - JAPANESE YEN

ENTER DESCRIPTION DESIRED...

FIGURE7

SOYBEANS

The soybean comes from a small plant that supplies feed for animals, food for humans, and raw material for industry. The soybean is the world's cheapest source of protein, having twice the protein of beef or fish. The soybean is the 3rd largest U.S. crop, supplying 60% of the world's soybeans. Soybean meal is an important animal feed product. Soybean oil is used for things such as margarine and vegetable shortening.

Factors that affect soybean prices are the size of the world soybean crop, overall demand for soybean related products, and weather changes that could affect the crop.

One soybean contract is equal to 5,000 bushels of soybeans and requires 10% margin. The maximum allowable price change in a trading session is 50 cents/bushel or $2,500 per contract.

Press SPACE BAR to Continue

CURRENT COMMODITY PRICES

Press C for COST to examine the current commodity prices as shown in Figure 8. Listed from left to right is the abbreviated commodity name, the current price of each commodity, the pricing unit, the margin required for a contract, the value of one contract, and the maximum price a single contract can change per week. Compare the value of a soybean contract and the required margin to those of Japanese yen. The margin percentage required for yen is 1/4 that of soybeans.

REVIEWING OLD NEWS REPORTS

At this point, you are still in the command mode, but the menu is not displayed. Press H and the menu will reappear. Now press N for NEWS. This redisplays the week's news reports and price changes as shown previously in Figures 3 and 4. While reviewing the news, look at the prompt at the bottom of the screen. By pressing B, for BACK, you can look at the last week's news. Try pressing B a few times. Now press the SPACE BAR to examine the price changes for this week again. Please note that even if you go back 10 weeks reviewing news reports, when the price changes are displayed it will be for the current week. Now press the SPACE BAR to return to the command mode.

Press G for GRAPH to see the menu in Figure 9.

NET: $250000		AUG 6			BROKER
CASH: $250000					CHANGE: +$0

NEAREST CONTRACT PRICE

Nam	Price	Units	Margin	Contract	MaxCh
SOY	676.1*	CTS/BU	$3380	$33803	$2500
WHT	282.8	CTS/BU	$1414	$14141	$10000
CAT	66.99	CTS/LB	$2640	$26795	$1400
PRK	43.79	CTS/LB	$1664	$16639	$1520
CFE	111.10	CTS/LB	$3333	$41663	$1520
OJC	149.79	CTS/LB	$1798	$22469	$3000
OIL	76.10	CTS/GAL	$2557	$31963	$2520
LBR	214.61	$KBD/FT	$1717	$21461	$750
COC	2244	$/TON	$1346	$22440	$880
GLD	372.00	$/OZ	$2232	$37200	$1000
SLV	1547.3	CTS/OZ	$4642	$77367	$2000
STK	115.28	PTS(%)	$3458	$57640	$1500
TBL	85.776	PTS(%)	$8578	$214441	$1250
FRC	51.29	CTS/SF	$2565	$64116	$750
YEN	0.4670	CTS/JY	$2335	$58377	$750

ENTER ACTION DESIRED

ENTER X TO RETURN TO COMMAND MODE
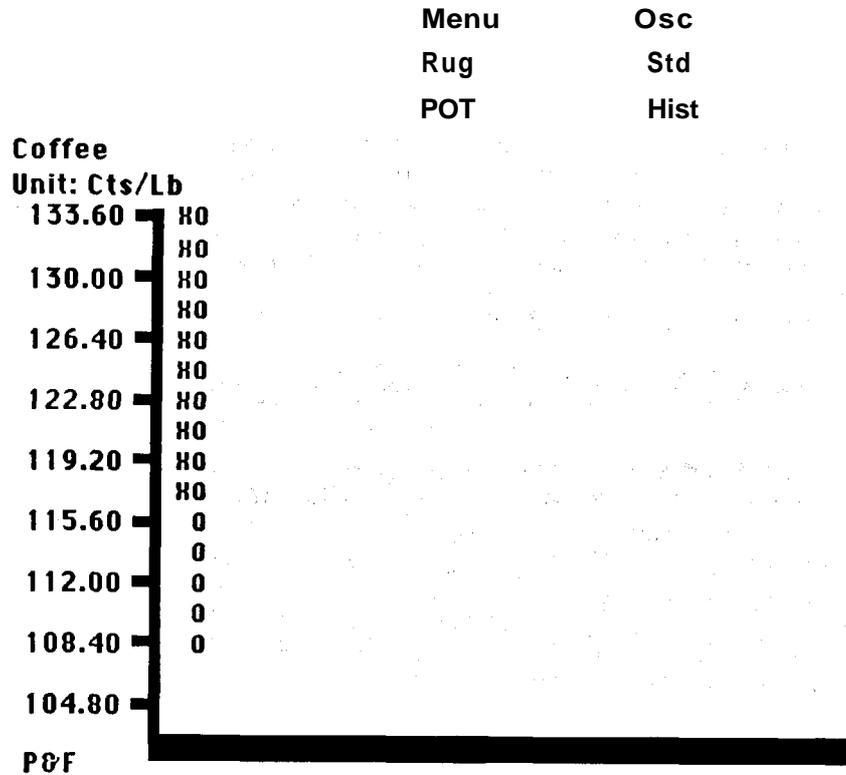
1 - SOYBEANS
2 - WHEAT
3 - CATTLE
4 - PORK BELLIES
5 - COFFEE
6 - ORANGE JUICE
7 - HEATING OIL
8 - LUMBER
9 - COCOA
A - GOLD
B - SILVER
C - S&P STOCK INDEX
D - 1 YR T-BILLS
E - SWISS FRANC
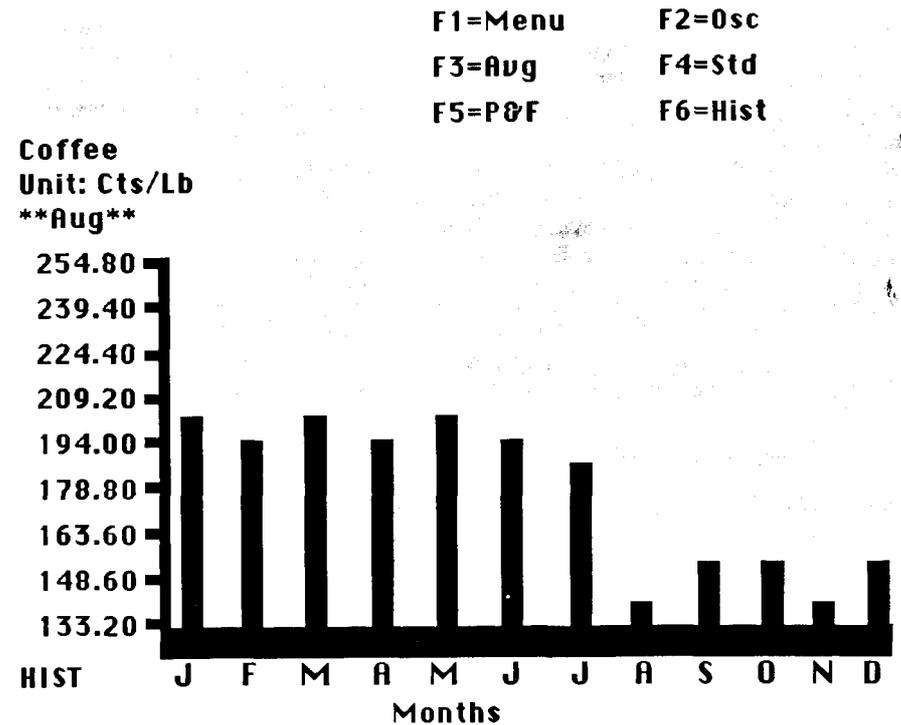F - JAPANESE YEN

ENTER GRAPH DESIRED...

Press P for P&F to request a point and figure graph as shown in Figure 13. The point and figure chart ignores the passage of time and shows only significant price movements. A small price reversal will not change the direction of the P&F graph. The X's represent an upward price movement and the O's represent a downward price movement This is probably the most useful technical indicator the novice speculator has. Look for stocks with X's on the right side of the graph. That means that commodity is in an upward price swing.

FIGURE 13

Menu	Osc
Rug	Std
POT	Hist

Coffee
Unit: Cts/Lb

133.60	XO
	XO
130.00	XO
	XO
126.40	XO
	XO
122.80	XO
	XO
119.20	XO
	XO
115.60	O
	O
112.00	O
	O
108.40	O
104.80	

P&F

Now press H for HIST to request the history bar graph (Figure 14) which provides last year's monthly price movements. This graph is useful in identifying seasonal price trends for various commodities. For instance, if the history graph shows that soybeans were high last June and the scatter plot graph shows soybeans moving up in June, then you might be onto a seasonal price trend that you could capitalize on. Since Tycoon uses actual price trend data, the seasonal patterns reflect actual historical price changes, although not necessarily in the same historical months. During one session soybeans may be high in June while in another session they may be high in December. In the upper left hand comer of the history graph, enclosed in asterisks, is the current trading month.

FIGURE 14

F1=Menu   F2=Osc
F3=Avg   F4=Std
F5=P&F   F6=Hist

Coffee
Unit: Cts/Lb
Aug

254.80	
239.40	
224.40	
209.20	
194.00	
178.80	
163.60	
148.60	
133.20	

HIST   J F M A M J J A S O N D
Months

BUYING COMMODITIES

Press M to return to the menu. Now press X to return to the command mode. I think it's about time we bought some commodities. Press B for BUY and examine the commodity prices previously shown in Figure 8. Note: Any mistakes you make while entering a buy or sell transaction will simply return you to the command mode so you can repeat the transaction correctly.

Listed at the bottom of the screen are the various commodities that can be purchased. Remember that if you are a Novice you can only purchase the first four commodities. Type WHT for WHEAT and press ENTER. Tycoon will then display the available contract months as shown in Figure 15.

FIGURE 15

WHEAT 5000 BU

Ref	Month	Price	Units	Margin	Contract
1	SEP	282.8	CTS/BU	$1414	$14141
2	DEC	283.9	CTS/BU	$1419	$14195
3	MAR+	286.2	CTS/BU	$1431	$14311
4	JUN+	288.5	CTS/BU	$1443	$14427

Listed under the month column are the various contract months available. This is the month the contract comes due. Remember to offset (sell) your contracts before the end of this month. Notice that the prices of the various contracts differ. The best contract month depends on the circumstances. If you are purchasing a long contract and the cheapest month also happens to be the furthest out, select the one furthest out. The plus sign adjacent to the months furthest away indicates the contract month is during the next year. To the left of the month is a reference number. Enter the reference number adjacent to the contract month you want. Press 2 and press ENTER. Now Tycoon asks you whether you want to buy a long or short contract Enter L for LONG and press ENTER. If you are a Novice or Investor, Tycoon assumes all transactions are long and does not provide you this prompt. Next, Tycoon asks you how many contracts you want to buy. In parentheses is the maximum number you can purchase with your available cash. Enter 1 and press ENTER.

FIGURE 16

BUY TRANSACTION REPORT

COMMODITY:	DEC WHEAT
TYPE:	LONG
CONTRACTS:	1
UNIT PRICE:	283.9 CTS/BU
CONTRACT SIZE:	5000 BU
CONTRACT PRICE	$14194.96
TOTAL VALUE:	$ 1419.50
NET COST:	$ 1419.50

As shown in Figure 16, Tycoon now displays a buy transaction report. This report contains all pertinent details about your purchase including the net cost to you. Now look at the screen and notice that net cost is identical to the negative cash flow shown next to CHANGE in the status area at the top of the screen. Anytime you buy a commodity you are spending money and therefore have a negative (or outgoing) cash flow. When the transaction report is displayed, you automatically return to the command mode.

A NEW WEEK

Now let's go to the next week and see if we can make some money on our contract. Press W for WEEK. Press the SPACE BAR after seeing the commodity index graph, then press it again after the news report

Tycoon displays a scatter plot of each commodity you own when you advance to a new week. The graphs are displayed in between the news and the price change table. Notice that Tycoon now displays a scatter plot graph of wheat. Did wheat go up or down? Press the SPACE BAR to see the price change table. How much did wheat go up? Press the SPACE BAR to enter the command mode again. Look at the status area next to CHANGE to see how much money was added to your cash account If the value of your commodities goes down more than your available cash, Tycoon forces you to sell some of your holdings to pay off your debts.

YOUR PORTFOLIO

When you buy a commodity, Tycoon records your purchase in your portfolio which is simply a record of all your commodity holdings. You may have up to 15 items in your portfolio. Press P for PORT to review your portfolio (Figure 17). Notice that the only item in your portfolio is the wheat contract you bought last week. Reading from left to right is the portfolio reference number, the abbreviated commodity name, the contract month, the contract type (L=Long, S= Short), the number of contracts you have, the purchase price of your commodity, the current price, and your gross profit. The reference number is used when you sell your commodities. Gross profit does not include your tax or commission obligations. If you purchase the same commodity with the same contract month, it appears as one item in your portfolio.

FIGURE 17

COMMODITY PORTFOLIO

Ref	Nam	T	Qty	Purch	Current	Profit
1	WHT	L	1	283.9	290.8	345

Example: If you bought 10 June soybean contracts in February, then bought 5 more June soybean contracts in March, your portfolio shows one item with 15 contracts. The purchase price, and profit, is a weighted average of the two purchases. To see the menu, press H.

SELLING COMMODITIES

Now let's sell your wheat contract. Press S for SELL. Your portfolio appears as shown in Figure 17 and Tycoon now wants to know the reference number of the commodity you want to sell. To the left of the commodity name is the reference number. Just because you have only one item in your portfolio does not mean the reference number will always be one. Since the number one (1) is to the left of WHT, type 1 and press ENTER. Next the computer asks how many contracts you want to sell. Since you only own one contract, enter 1 and press ENTER.

As shown in Figure 18, Tycoon displays a complete sell transaction report. Notice that you have been charged commission and tax on your profits. You receive a tax

FIGURE 18

SELL TRANSACTION REPORT

COMMODITY:	DEC WHEAT
TYPE:	LONG
CONTRACTS:	1
UNIT PRICE:	290.8 CTS/BU
CONTRACT SIZE:	5000 BU
CONTRACT PRICE	$14539.61
TOTAL VALUE:	$ 1453.96
MARGIN/CONTRACT:	$ 1453.96
COMMISSION:	$ 72.70
TAXES:	$ 81.59
CASH CREDIT (DEBIT):	$ 1299.68
NET PROFIT (LOSS):	$ 190.37

credit in the event that a loss is incurred. The tax credit is shown in parentheses. "Cash credit (debit)" is the margin deposit you receive back when you sell a contract. In the event that your taxes are greater than your margin deposit, your cash account is debited to pay your taxes. "Net profit (loss)" is the net profit or loss on the sale after taxes and commissions.

In the unlikely event that you don't have enough cash to pay your taxes, you will not be allowed to sell that commodity until you raise enough cash by selling some of your other commodities.

Contracts are due on the following dates: March 26, June 25, September 24, and December 22. If one of your contracts is within 4 weeks of the due date, an asterisk (*) appears in the status area immediately below the date while you are in the command mode. If you forget to offset your position before the due date, Tycoon sells your commodity for 90 cents on the dollar.

As mentioned before, if a commodity price moves close to a limit up or limit down condition you may not be able to sell that commodity. If you see the message "Sorry...! cannot offset your position," you have to wait until the next week to sell that commodity.

QUITTING THE GAME

Press H to display the menu. Now we are going to quit playing for a moment. Press E for END and Tycoon asks if you're sure that you want to stop playing. Type Y and press ENTER. Next, Tycoon asks you if you would like to save this game. Type N and press ENTER. If you type yes, Tycoon stores the commodity market environment and your portfolio.

Next, Tycoon gives you a complete end of game report, as shown in Figure 19. You only receive this report when ending a session without saving it or when week 52 rolls around. At this point, remove your Tycoon diskette if you don't plan to play anymore. If you would like to restart the game, press the SPACE BAR.

FIGURE 19

Your ending net worth was $250190
Your net worth increased $190
Your status is BROKER
Your high score is $250190
You must increase your net worth
by $749810 to become a TYCOON.

THE PLAYER DIRECTORY

As shown in Figure 20, a player directory with every player's name, last score, high score, and status is shown. In Tycoon, your score is in dollars. As you can see, our old friend Cheat is listed as player #1. Since you are a new player, just press ENTER and Tycoon asks you to enter your initials. Actually, Tycoon accepts any name no longer than 5 characters. After typing your name, press ENTER.

FIGURE 20

Name	Score	Score	Status
ICHEAT	$250000	$250000	BROKER

Enter player number to start
If you are a new player press ENTER
9

As you can only store 14 players' names on the directory, we suggest that you have occasional guests use Cheat's status for trying the game. Tycoon now enters your name in the player directory starting you out as a Novice with $10,000. In some versions of Tycoon, you will be asked to enter a number next. If asked, type the number and press ENTER. Tycoon is now generating a new commodity market environment lor you. As this is a very complex process, it takes between 3 and 7 minutes (depending on your computer system). Every time you create a game, your status and cash as listed in the player directory is carried into the new session. When you quit a game session without saving it or when reaching week 52, your new status, cash, and the score is posted in the player directory. Then next time you start a game, your name will be listed in the player directory as player #2. In the event that you get the urge to be sneaky and want to be a broker without earning it, you can always use "Cheat's" status and money by choosing player #1 when you create a new game.

MISCELLANEOUS INFORMATION

A few general notes are in order.

- When you are in the command mode, at a graph/description menu or in the graph mode, a single keystroke is all that is needed to enter a command. All other Tycoon prompts require you to press ENTER after typing your response. Use the BACKSPACE key to correct any typing errors before pressing ENTER.

- The graphs used in Tycoon are self-scaling, which means that the shape of the graph and the vertical axis values depend on the commodity's price. As each week passes, the self-scaling routine may cause the appearance of the graph to change in some surprising ways. Don't worry about this! Just keep in mind that the vertical axis scale on the graph can change each week!

- If you plan on investing real money in the commodity market, we strongly advise that you study the futures market and find a good broker to guide you through the treacherous waters of futures trading. Success at Tycoon is no guarantee of success in the real market!