

Investment strategies

Finance



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Warren Buffett's assertion that those individuals who bought just forty dollars of the stock of the company in 1919 before the company went public could have more than five million dollars currently. His comments were confirmed by the company's board of director who proposed the split of stock of the soft drink manufacturer that was worth forty dollars almost a century ago would now be worth 9.8 million of dollars. I learned about the power of patient when it comes to saving (Hagstrom, 24). Buffett states that forty dollars in 1919 is quite different from forty dollars in the current world. he states that despite the rise in inflation, rise in the price of sugar, the world war and the great depression that targeted the financial market investing in the coca cola company was still the best idea as the outcome was more than the money invested at the time. I believe that a knowledgeable investor should have patience while investing.

Even though it may take a long time to achieve the best outcome, it is still the right thing to do. Buffett's advice on the dangers of timing and long time investment is also quite important. He asserts that it is dangerous to time the market so that investments are done when the market is on the rise and sell when the market is declining. He states that the move is only better than a random chance and that it is dangerous to invest with attention based on time of the market (Hagstrom, 30). He stresses that it is not essential to understand whether the stocks are being bought at the right time since it is often considered an arbitrary imagination. It is only significant to understand the relative price that is being paid for the business. I support Buffett's comment that long term investment is the best idea. Investors should always consider long term investment as buying a tangible piece of business. It is <https://assignbuster.com/investment-strategies/>

often important to understand that choosing the right investment will often fetch a lot of money.

Work cited

Hagstrom, Robert G. *The Warren Buffett way: Investment strategies of the world's greatest investor*. John Wiley & Sons, 2007.