

Academy of Finance I G/T

Academy of Finance I (2 credits)

Unit I: Financial Planning (40 days)

Overview

This unit provides students with an overview of the job of a financial planner. Students look at financial planning in an objective way that requires them to regard all aspects of financial planning as relevant to a potential client.

Enduring Understandings: These go beyond discrete facts or skills to focus on larger concepts, principles, or processes. They are transferable–applicable to new situations within or beyond the subject.

TOPIC 1: INTRODUCTION TO FINANCIAL PLANNING

Learning Objectives:

Students will be able to:

- Describe the skills required for and knowledge about financial planning needed to be successful in an authentic project.
- Identify general financial planning terms with which to build a taxonomy.
- Evaluate how the finances of an individual or family can affect one's life.
- Identify and define key terms in financial planning.
- Manage and conduct an informational interview with a certified financial planner.
- Create a concise outline describing what a financial planner does and the skills, experiences, and educational background necessary to enter the profession.
- Explain the key reasons why people undertake financial planning.
- List the key milestones in life, and understand how planning can lead to a successful outcome.
- Describe how failure to plan one's finances may be taking unnecessary risks.

TOPIC 2: THE FINANCIAL PLANNING PROCESS

Learning Objectives:

Students will be able to:

- Describe how financial planning strategies help individuals achieve key milestones in life.
- Explain how financial planning helps protect against common risks.
- List the components of a financial plan, and explain the purpose of each.
- Explain the differences between needs and wants.
- Describe how values play a role in determining needs and wants.
- Create personal goals that are specific, measurable, attainable, realistic and time-bound.
- Display understanding of the financial philosophy of different generations and how this affects their financial decisions.
- Explain why people set goals and discuss the implications of not setting goals and/or failing to reach one's goals.
- Describe the key goal of financial independence.
- Explain the differences between long-, mid-, and short-term goals and how to plan for them.
- Create personal financial goals and prioritize them by importance.

- Explain why accurately and completely tracking one's finances is an important step in achieving financial goals.
- Define the terms "net worth," "fixed expenses," and "variable expenses."
- Describe the components of a balance sheet, a cash flow statement, and a personal budget.
- Create a sample balance sheet and a cash flow statement.

TOPIC 3: BORROWING AND CREDIT

Learning Objectives:

Students will be able to:

- Identify criteria used to decide whether or not and when borrowing money is a good financial strategy.
- Define key terms related to borrowing.
- Describe the risks of borrowing.
- Compare and contrast the key sources of lending.
- Identify the criteria lenders use when evaluating loan applications.
- Describe how credit cards work and how they can build credit history.
- Describe the dangers of credit card misuse.
- Explain consumer rights with regard to credit cards.
- Create instructional materials to explain the proper use of credit cards to others.

TOPIC 4: INSURANCE

Learning Objectives:

Students will be able to:

- Describe the critical and pervasive role that insurance plays in mitigating financial risk.
- Describe insurance protections provided by certain types of insurance, and evaluate whether or not certain age groups need each type.
- Compare and contrast the risks that different types of insurance cover.
- Explain why auto and property insurance rates differ depending on a range of factors.
- Develop knowledge-based recommendations on the importance of auto and property insurance coverage and their key components.
- Explain the importance of health insurance in protecting against the risk of injury or illness.
- Explain the importance of disability insurance in protecting against the risk of lost wages due to injury or illness.
- Compare and contrast different types of health insurance plans.
- Describe the role that life insurance plays in a financial plan.
- Identify the different types of life insurance.
- Match life insurance policy types to hypothetical client scenarios based on specific client needs, and explain the rationale.
- Evaluate insurance policies and deduce which one may be appropriate for the student as he or she turns age 25.

TOPIC 5: INVESTING

Learning Objectives:

Students will be able to:

- Explain how compounding interest means that it may be beneficial to begin investing early in one's career.
- Describe the many reasons why people invest.
- Identify key characteristics of different investment types.

- Describe a set of recommendations for investment types based on specific client needs.
- Explain the major income investment products (passbook savings, CDs, bonds, and money market accounts).
- Compare and contrast the characteristics and uses of major income investment products.
- Develop responses to common questions about income investment products posed by hypothetical clients.
- Describe and compare the characteristics, advantages, and disadvantages of the key growth investment products (stocks, bonds, and certain mutual funds).
- Develop appropriate recommendations for investment products to meet specific short-, mid-, and long-term goals.
- Describe where and how growth investment products can be purchased.
- Describe the role that housing plays in a financial plan.
- Compare the benefits and drawbacks of both renting and owning a home.
- Explain what to look for when buying or renting a home.

TOPIC 6: RETIREMENT AND ESTATE PLANNING

Learning Objectives:

Students will be able to:

- Compare the differences between a comfortable and well-planned retirement and one for which there was not sufficient preparation.
- Describe the key retirement planning tools and strategies, such as IRAs, annuities, and other long-term investments.
- Explain how and why retirement planning is important and how it can affect one's senior years.
- Describe key concepts in estate planning, such as wills, powers of attorney, living wills, and trusts.
- Explain the risks of not having a living will and granting power of attorney.
- Summarize the tax advantages of trusts when bequeathing assets.

TOPIC 7: CONTEMPORARY ISSUES IN FINANCIAL PLANNING

Learning Objectives:

Students will be able to:

- Explain key concepts within income tax codes.
- Describe the basic process involved in filing income tax forms.
- Develop effective tax reduction strategies that meet the needs of hypothetical clients.
- Summarize a code of ethics for financial planners.
- Develop examples of how ethics plays a role in real-life financial planning situations.
- Demonstrate the ability to make an ethical decision in a complex situation.

TOPIC 8: CAREER DEVELOPMENT IN FINANCIAL PLANNING

Learning Objectives:

Students will be able to:

- List the types of jobs that are available in the industry.
- Describe entry-level jobs in the industry and their corresponding qualifications.
- Evaluate which jobs are most suitable based on personal interests and skills.
- Develop effective responses to common job interview questions.
- Evaluate personal experience and qualifications for potential employment opportunities.
- Describe potential employment opportunities.
- Develop a personal career path for financial planning.
- Create a company profile.

- Give a professional presentation.
- Monitor personal success in learning about financial planning.
- Summarize key learning across the project and the whole subject of financial planning.

Unit 2 – Principles of Finance (33 days)

Overview

This unit begins with the basics of financial literacy and the function of finance in society. Students then study income and wealth, including budgeting, personal banking, credit and borrowing, and planning for retirement. Next, students examine financial institutions and the role of finance in organizations. They learn about common methods by which businesses raise capital—IPOs, selling stocks and bonds, and short-term financing—and study key investment-related terms and concepts, including the time value of money. Students also explore specific topics of importance in today’s world of finance, risk management, taxes, and ethics. They research how technological and international innovations have changed the financial services field.

Enduring Understandings: These go beyond discrete facts or skills to focus on larger concepts, principles, or processes. They are transferable—applicable to new situations within or beyond the subject.

TOPIC 1: Introduction to Finance

Learning Objectives:

Students will be able to:

- Describe the skills and knowledge required for a successful authentic financial project.
- Identify general finance terms with which to build a taxonomy.
- Explain what finance is and why learning about it is valuable.
- Identify how financial knowledge can be applied to real life.
- Explain how the time value of money is a fundamental component of financial literacy.
- Describe the financial services industry and the financial system that it serves.
- Identify the functions of different types of financial intermediaries.
- Explain how financial intermediaries benefit individuals, businesses, and the economy.
- Define capital and describe its importance to financial intermediaries.

TOPIC 2: FINANCIAL INSTITUTIONS

Learning Objectives:

Students will be able to:

- List the characteristics of an investment bank.
- Explain how an investment bank differs from a commercial bank.
- Describe the functions performed by investment banks.
- List methods for raising capital.
- Describe the evolution of investment banking.
- Describe the key risks and returns associated with investing.
- Identify the major financial markets.
- Explain the importance of financial markets to our economy.

TOPIC 3: KEY INFLUENCERS OF FINANCIAL DECISIONS

Learning Objectives:

Students will be able to:

- Describe each form of business ownership.
- Explain why there are different forms of business ownership.
- Compare the advantages and disadvantages of each type of business ownership.

- Explain why businesses constantly need to be aware of and ready to respond to changes in regional, national, and global business environments.
- Explain how technological innovations have changed the role of finance in organizations.
- Explain the various financial factors that affect decision making, including risk management and taxes.
- Summarize how government regulations can affect business organizations.
- Define mutual funds.
- Investigate investing in mutual funds.
- Choose mutual funds.
- Evaluate the different financial securities and their purposes.
- Discuss investment principles .
- Research companies to study.
- Read, compare and contrast annual reports and financial statements.
- Analyze a hypothetical corporation's income statement and balance sheets.
- Compare and choose stock selections and draw conclusions from historical data.
- Evaluate a hypothetical organization's management strategy for the selection of stocks.
- Estimate future growth rates.
- Define and describe price earning history.
- Evaluate risk and reward.
- Research the five-year potential of organizations.
- Make decisions based on evaluation materials.
- Make calculated judgments.
- Apply selling stock skills.

TOPIC 4: CAREERS IN FINANCE AND COURSE CLOSURE

Learning Objectives:

Students will be able to:

- Identify the types of jobs that are available in the finance industry.
- Describe entry-level jobs in the finance industry and their corresponding qualifications.
- Evaluate which finance jobs are most suitable based on personal interests and skills.
- Develop effective responses to common job interview questions.
- Evaluate personal experience and qualifications for potential employment opportunities in finance.
- Research and describe potential employment opportunities in finance.
- Develop a personal educational and career path for careers in the finance industry.
- Develop a resume.
- Give a professional presentation.
- Evaluate personal experience and performance in the course.
- Monitor personal success in learning the key principles of finance.
- Summarize key learning across the whole subject of finance.
- Monitor financial portfolios, evaluate decisions, and make recommendations for future monitoring.

UNIT 3 – Applied Finance (22 days)

Overview

This unit explores the financial concepts introduced to students in the Principles of Finance course. Students begin the course with a review of such key topics as cash flow, the business life cycle, and capital. In Applied Finance, students learn about the legal forms of business organization and grasp the pros and cons of business ownership forms. Students continue to develop an understanding of profit and distinguish this measure of business success from cost and revenue. Students learn about various financial analysis strategies while they evaluate financial documents. They learn the three most common methods by which businesses raise capital—stocks, bonds, and short-term financing. Students also have the chance to explore, in depth, topics of high interest in the field of finance, including globalization, employees, and taxes. Students apply what they have learned over the course to the culminating project. Working in groups of four or five, students role-play company representatives (investor relations officers) making a pitch to a group of investors about the financial benefits of investing in their chosen company. The goal is to encourage the audience to invest in their company based on the overview that they present. The driving question for the project is, “How can we, as company representatives, best encourage investors to invest in our company?” At the end of the course, the group delivers a presentation to an invited audience. Finally, students get a chance to discover the types of careers that exist in finance today.

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TOPIC 1: FINANCIAL CONCEPTS

Learning Objectives:

Students will be able to:

- Describe the skills and knowledge required for a successful authentic financial project.
- Identify general finance terms with which to build a taxonomy.
- Identify and describe all parts of the business life cycle.
- Describe the concept of capital and discuss how businesses raise capital and why they need it.
- Compare and contrast different forms of business ownership.
- Describe how finance influences business organizations.
- Summarize the importance of cash flow within a business.
- Evaluate ways to improve cash flow within a business.

TOPIC 2: PROFIT AND RISK

Learning Objectives:

Students will be able to:

- Distinguish between costs, revenue, and profit.
- Explain how profits keep a business viable.
- Explain why it is necessary and desirable for some businesses to be not-for-profit.
- Describe a variety of typical risks businesses face.
- Evaluate approaches to risk management and mitigation.

TOPIC 3: FINANCIAL ANALYSIS STRATEGIES

Learning Objectives:

Students will be able to:

- Describe ways that businesses keep track of their financial results.
- Distinguish among a profit and loss statement, a balance sheet, and a cash flow statement.
- Explain the concepts of financial analysis, financial analysis tools, and the relationships among financial measurements.
- Explain the importance of a personal budget.
- Describe how budgeting helps businesses manage their finances.
- Define forecasting and explain why it helps businesses manage their finances.
- Describe why businesses might need to raise capital.
- Compare and contrast funding options available to businesses.
- Explain short-term and long-term funding.
- Describe corporate stock and what it represents.
- Explain the advantages and disadvantages of taking a company public.
- Display understanding of the factors that can affect stock prices.
- Explain why a company might issue bonds instead of stock.
- Describe corporate bonds and what they represent.
- Identify the principal ways to issue bonds.
- List various services offered by financial institutions.
- Describe how financial institutions are important to the business world and the economy.
- Explain how businesses rely on banks and other financial institutions for specific services and products.

TOPIC 4: CONTEMPORARY ISSUES IN FINANCE

Learning Objectives:

Students will be able to:

- Define globalization.
- Explain the effects of globalization on businesses.
- Describe different globalization issues and examine their positive and negative characteristics.
- Describe the effect of employee benefits on labor costs.
- List and describe employee benefits commonly provided by employers.
- Identify the personal importance of employee benefits upon entering the labor market.
- Explain ways in which businesses contribute to our tax system.
- Interpret how businesses take taxes into account when making decisions.
- Create recommendations for smart tax management techniques.
- Research and describe relevant information, including company performance, financial soundness, and projected growth, for a specific company.
- Analyze and summarize the benefits of investing in a specific company.
- Explain why a specific company is a good investment choice to an audience of potential investors.
- Work cooperatively in groups on a culminating project.
- Design and create an effective *PowerPoint* presentation.

TOPIC 5: CAREERS IN FINANCE

Learning Objectives:

Students will be able to:

- List the types of jobs that are available in the industry.
- Describe entry-level jobs in the industry and their corresponding qualifications.
- Evaluate which jobs are most suitable based on personal interests and skills.
- Develop effective responses to common job interview questions.
- Evaluate personal experience and qualifications for potential employment opportunities.
- Describe potential employment opportunities.
- Develop a cover letter.
- Give a professional presentation.
- Evaluate personal experience and performance in the course.
- Monitor personal success in learning about finance.
- Summarize key learning across the whole subject of finance.

UNIT 4 – Business Economics (42.5 days)

Overview

The business economics unit provides students with an introduction to the key concepts of economics as they pertain to business—supply, demand, profit, costs, and markets—and differentiates microeconomics from macroeconomics. It discusses the American economy and the factors that influence the success of businesses and products. The course describes forms of business ownership and discusses the relationship of labor and business, then provides a broad overview of the global economy. Students apply what they have learned in the course to the culminating project, forming consulting teams and vying for a long-term contract as management consultants to a major avocado grower and distributor. By applying basic concepts of business economics, groups learn to analyze relevant financial information in order to recommend strategies for increasing the company’s profitability. Students will also have the opportunity to compete in a statewide economic policy challenge competition. Finally, students get a chance to examine careers that require business economics knowledge.

Enduring Understandings: These go beyond discrete facts or skills to focus on larger concepts, principles, or processes. They are transferable—applicable to new situations within or beyond the subject.

TOPIC 1: INTRODUCTION TO BUSINESS ECONOMICS

Learning Objectives:

Students will be able to:

- Describe the skills and knowledge required for a successful authentic financial project.
- Identify general business economics terms with which to build a taxonomy.
- Define key terms in the field of business economics.
- Use graphical tools as representations of macroeconomic and microeconomic principles.
- Compare and contrast macroeconomics and microeconomics.
- Describe why business economics is an important field of study.

TOPIC 2: BASIC ECONOMIC PRINCIPLES

Learning Objectives:

Students will be able to:

- Describe why scarcity of resources is the basic economic problem.
- Explain how the existence of scarcity forces economic actors to make choices.
- Assess the costs and benefits of alternatives when making decisions, taking into account opportunity costs and tradeoffs.
- Create graphs showing production possibilities and associated tradeoffs.
- Identify examples of different forms of utility and explain how this concept drives consumption and production decisions within an environment of diminishing marginal returns.
- Apply information drawn from measuring diminishing marginal returns and increasing opportunity costs to a business example.
- Define the factors of production and describe how they interrelate.
- Explain what happens when the factors of production interact with entrepreneurship.
- Explain how the factors of production combine to make a selected product.

- Recall and explain Adam Smith's insights into market behavior.
- Create and explain a demand table and a demand curve.
- Create and explain a supply table and a supply curve.
- Explain how the laws of supply and demand affect business.

TOPIC 3: BUSINESS OWNERSHIP AND STRUCTURE

Learning Objectives:

Students will be able to:

- Describe the role of the entrepreneur and how entrepreneurs start businesses.
- Explain how innovative entrepreneurial ventures have affected society.
- Compare and contrast the major forms of business ownership.
- Explain the advantages and disadvantages of each major form of business ownership.
- Explain how a particular business is best served by a particular form of business ownership.

TOPIC 4: BUSINESS AND COMPETITION

Learning Objectives:

Students will be able to:

- Explain the importance of price in a free-market economy.
- Evaluate ways in which businesses respond to market information conveyed in prices.
- Analyze the impact of cost of production on price.
- Compare and contrast demand-driven and supply-driven causes of price change.
- Describe different types of markets.
- Explain how businesses respond to different market conditions in order to better compete.
- Compare and contrast the impact of differing market structures on the success of a product or a service.

TOPIC 5: ECONOMIC SYSTEMS

Learning Objectives:

Students will be able to:

- Characterize differing economic systems in a diverse range of countries.
- Describe the advantages and disadvantages of a particular approach to classifying economic systems.
- Describe key characteristics of command, free-market, and mixed-market economies.
- Compare and contrast the strengths and weaknesses of the three main economic systems.
- Describe the key characteristics of the U.S. economy.
- Develop a point of view about the degree of efficiency, effectiveness, and equity currently prevailing in the U.S. economy.
- Describe the U.S. government's role in the economy, and develop a point of view about its impact on business.
- Describe the concept of money from various perspectives.
- Explain the concepts of exchange rate and purchasing power.
- Explain how fluctuating exchange rates affect businesses and individuals.
- Display an understanding of how monetary policy affects the economy.
- Apply the money multiplier.
- Identify and explain the monetary policy tools, implement them based on economic indicators, and describe the impact they have on aggregate demand.
- Explain how comparative advantage influences the structure of global trade.

- Compare and contrast the advantages and disadvantages of protectionist policies on businesses and national economies.
- Develop a business strategy based on an understanding of concepts of international trade.

TOPIC 6: Career Development in Business Economics

Learning Objectives:

Students will be able to:

- Summarize the main concepts and principles of economics.
- Defend the importance of economics to almost any career.
- Develop an effective letter of inquiry.
- Give a professional presentation.
- Evaluate personal experience and performance in the course.
- Monitor personal success in learning about business economics.
- Summarize key learning across the whole subject of business economics.

UNIT 5 – Principles of Accounting (42.5 days)

Overview

This unit reviews the accounting process and how it facilitates decision making by providing data and information to internal and external stakeholders. Students learn that accounting is an integral part of all business activities. They learn how to apply technology to accounting by creating formulas and inputting data into spreadsheets.

TOPIC 1: Business Forms and Regulatory Environment

Learning Objectives:

Students will be able to:

- Describe the skills and knowledge required for a successful authentic financial project.
- Identify general accounting terms with which to build a taxonomy.
- Describe and provide examples of business forms and types.
- Compare and contrast the advantages of different business forms.
- Identify appropriate forms and types for businesses in a variety of scenarios.
- List the major policy-setting and enforcement bodies in accounting and describe their respective roles.
- Explain how the various regulatory agencies influence each other as well as the world of accounting.

TOPIC 2: THE ACCOUNTING CYCLE

Learning Objectives:

Students will be able to:

- Describe the accounting cycle.
- Analyze and record financial events.
- Explain the importance of journalizing and journalize transactions.
- Prepare a trial balance.
- Describe the methodology underlying account balancing.
- Locate posting errors in the general ledger.
- Balance accounts.
- Prepare an income statement.
- List the steps necessary to prepare an income statement.
- Prepare a statement of changes in owner's equity.
- List the steps necessary to prepare a statement of changes in owner's equity.
- Describe the key characteristics of a balance sheet.
- Prepare a balance sheet.
- List the steps necessary to prepare a balance sheet.
- Describe what is meant by "closing the books" and explain why it is important.
- Close the books in a given scenario.

TOPIC 3: FINANCIAL STATEMENT ANALYSIS

Learning Objectives:

Students will be able to:

- Compute return on sales (ROS) ratios.
- Analyze income statements using the ROS ratio and horizontal and vertical analyses.
- Identify the key differences between investments and net income.
- Analyze a balance sheet.
- Compute the current ratio and working capital in a variety of given scenarios.

- Identify issues relevant to specific decision makers in a given scenario, and explain the corresponding rationales.
- Analyze financial statements.
- Write an effective business letter.

TOPIC 4: CONTROLS

Learning Objectives:

Students will be able to:

- Explain the importance of internal controls and list key accounting controls.
- Identify internal controls in various scenarios.
- Compare and contrast internal and external controls.
- Analyze financial documents for possible errors.
- Apply controls to companies in various scenarios.
- Present audits effectively in writing and in oral presentations.

TOPIC 5: CAREER DEVELOPMENT IN ACCOUNTING

Learning Objectives:

Students will be able to:

- Compare and contrast various career opportunities in accounting.
- Describe jobs in the industry and corresponding qualifications and salaries.
- Evaluate which jobs are most suitable based on personal interests and skills.
- Evaluate personal experience and qualifications for potential employment opportunities.
- Describe potential employment opportunities.
- Develop a personal educational and career path for accounting.
- Create a profile for an appropriate college choice.
- Present the results of a detailed accounting scenario.
- Evaluate personal experience and performance in the course.
- Monitor personal success in learning about accounting.
- Summarize key learning across the whole subject of accounting.