

BUSINESS FINANCE COURSE CODE 5273

COURSE DESCRIPTION: This Business Finance course, one of the required courses in the Business Finance program, is designed to provide students with an understanding of how corporations, organizations, and businesses handle money. Students will learn about financial fundamentals, environment, and markets, financial management planning and analysis, short and long-term financial activities, credit principles and practices, securities and investments, insurance and risk management, international business and trade, information protection, and professionalism. This course satisfies the personal finance graduation requirement.

OBJECTIVE: Given the necessary equipment, supplies, and facilities, the student will be able to successfully complete the following core standards in a course that grants one unit of credit.

RECOMMENDED PRE-REQUISITE: Accounting I

COURSE CREDIT: 1 unit (120 hours)

RECOMMENDED GRADE LEVEL: 10-12

A. FINANCIAL FUNDAMENTALS

Business finance professionals demonstrate a fundamental knowledge of finance. The following accountability criteria are considered essential for students in the Business Finance program of study.

1. Define business finance.
2. Describe the role of finance in the economy.
3. Determine the various types of financial markets and their impact on the economy (e.g., money markets, capital markets).
4. Describe financial institutions commonly used by businesses and consumers.
5. Explain the sources of funding for small and large businesses (e.g., revenue, debt, equity financing).

B. FINANCIAL ENVIRONMENT OF BUSINESS

Business finance professionals demonstrate an understanding of the financial environment in which they work. The following accountability criteria are considered essential for students in the Business Finance program of study.

1. Describe basic economic principles (e.g., supply curve, demand curve, equilibrium point, law of supply, law of demand, scarcity, surplus).
2. Compare and contrast the differences in the legal structures of business ownership and organization (e.g., sole proprietorship, partnerships, corporations, LLCs).
3. Analyze financial advantages and disadvantages of business ownership (e.g., legal exposure, financial liability).
4. Evaluate how decisions are made within various economic systems (e.g., free enterprise,

market economy, command economy).

C. FINANCIAL MANAGEMENT PLANNING

Business finance professionals understand business goals and how they are used in financial planning. The following accountability criteria are considered essential for students in the Business Finance program of study.

1. Identify the characteristics of effective financial goals.
2. Interpret the elements of financial statements (e.g., balance sheet, income statement, cash flow statement).
3. Analyze the types and purposes of financial budgets (e.g., operating, cash, capital budgets).
4. Prepare an operating financial budget.
5. Interpret the Rule of 72 and its impact on investment decisions.
6. Calculate different types of interest (e.g., simple interest, compound interest) and how they affect investment decisions.
7. Calculate the time value of money on investments and loans (e.g., present value, future value).

D. FINANCIAL MARKETS

Business finance professionals demonstrate the knowledge of the different types of financial markets and how they operate. The following accountability criteria are considered essential for students in the Business Finance program of study.

1. Explain the purpose and general structure of financial markets.
2. Describe the major types of capital markets (e.g., treasury notes/bonds, corporate/municipal bonds, common/preferred stock).
3. Describe the major types of money markets (e.g., treasury bills, certificates of deposits (CDs), commercial paper).
4. Discuss the importance of foreign exchange markets.
5. Identify government activities that impact business (e.g., taxes, insurance, legislation).

E. FINANCIAL MANAGEMENT ANALYSIS

Business finance professionals demonstrate the appropriate skills for analyzing financial data. The following accountability criteria are considered essential for students in the Business Finance program of study.

1. Identify the roles and responsibilities of various financial management positions within an organization (e.g., CEO, CFO, COO, treasurer, controller, board of directors).
2. Identify and evaluate the importance of managing and securing accurate and complete financial data and records for a business (GAAP).
3. Calculate and evaluate financial ratios and other tools to analyze the financial condition of

a business, (e.g., liquidity, asset management, debt management, profitability, market performance ratios, trend analysis, market analysis).

F. SHORT-TERM FINANCIAL ACTIVITIES

Business finance professionals demonstrate an understanding of short-term financial activities that affect business operations. The following accountability criteria are considered essential for students in the Business Finance program of study.

1. Explain short-term financial activities that can affect business cash flow (e.g., inventory control, credit sales, leverage, cash budgeting).
2. Define and evaluate the importance of working capital.
3. Describe methods businesses use to finance short-term activities (e.g., invoice discounting, working capital loans, factoring, trade credit, business lines of credit).
4. Demonstrate how the supply chain affects the operations of a company.
5. Differentiate the types of inventory strategies associated with cost management (e.g., raw materials, work in process, finished goods).
6. Analyze different methods of employee compensation and how it affects short term operations (e.g., salary, wages, commission, benefits).
7. Evaluate how employee withholding affects payroll management.

G. LONG-TERM FINANCIAL ACTIVITIES

Business finance professionals demonstrate an understanding of long-term financial activities that affect business operations. The following accountability criteria are considered essential for students in the Business Finance program of study.

1. Describe types of capital projects used in business.
2. Compare tools used to analyze capital projects (e.g., payback method, net present value, internal rate of return, opportunity cost, sunk cost).
3. Explain business growth and expansion actions.
4. Identify actions for reducing business risks.
5. Define the steps in the capital budgeting process.
6. Analyze how the cost of capital affects spending decisions (e.g., cost of debt, cost of equity, weighted average cost of capital).
7. Analyze case studies to determine capital spending feasibility.

H. BUSINESS FINANCING ALTERNATIVES

Business finance professionals demonstrate knowledge of various financial alternatives to increase capital. The following accountability criteria are considered essential for students in the Business Finance program of study.

1. Explain financing alternatives (e.g., buying on account, bank loans/notes, commercial paper).
2. Compare and contrast debt and equity financing.
3. Distinguish between the main types of government and corporate bonds.
4. Prioritize business activities associated with issuing bonds.
5. Examine factors that affect bond values.
6. Describe the types of capital stock sold by corporations.
7. Explain the process for issuing stock.
8. Identify the activities involved with stock market transactions.
9. Analyze the role of diversification in investments.
10. Explain the purpose of a mutual fund.

I. CREDIT PRINCIPLES AND BUSINESS PRACTICES

Business finance professionals demonstrate knowledge of how businesses use credit appropriately. The following accountability criteria are considered essential for students in the Business Finance program of study.

1. Identify the criteria used by organizations when establishing credit terms.
2. Explain the factors a business should consider when deciding to use credit.
3. Analyze the legal requirements for credit and collections (e.g., Truth in Lending Act, Equal Credit Opportunity Act, Fair Credit Reporting Act).
4. Determine factors that can affect a company's credit score and rating.

J. INSURANCE AND RISK MANAGEMENT

Business finance professionals understand risk and the role of insurance in business operations. The following accountability criteria are considered essential for students in the Business Finance program of study.

1. Define risk and the types of risks faced by businesses (e.g. pure, speculative, economic, natural).
2. Examine the relationship between risk and probability.
3. Describe the primary methods for managing risks (e.g., avoid, transfer, insure, assume).
4. Describe the key parts of an insurance policy (e.g., declarations, insuring agreement, definitions, conditions, miscellaneous page, premium, deductible).
5. Differentiate common types of business insurance (e.g., property, liability, personnel, business interruption).
6. Describe important personnel risks and how they are insured (e.g., workers'

compensation, unemployment, healthcare, disability).

K. INFORMATION PROTECTION

Business finance professionals understand the importance of safety and security of information. The following accountability criteria are considered essential for students in the Business Finance program of study.

1. Describe the importance of creating an information security system for businesses and customers.
2. Identify specific risks for information privacy and security (e.g., ID theft, information theft, financial theft).
3. Evaluate ways ID theft occurs (e.g., dumpster diving, skimming, phishing, changing addresses, stealing, computer hacking).
4. Describe steps to safeguard customer and business information (e.g., shredding financial documents, protecting Social Security number, not disclosing personal information, using secure networks for on-line balances, not using obvious passwords).
5. Analyze methods companies use to detect suspicious activity in customer and business accounts (e.g., credit reports, on-line balances, monthly statements).
6. Develop an action plan to take when information theft is detected (e.g., placing fraud alerts on credit reports, closing accounts, filing police reports, reporting to the Federal Trade Commission).

L. INTERNATIONAL BUSINESS AND TRADE

Business finance professionals demonstrate an awareness of working within a global environment and its impact on a business's financial performance. The following accountability criteria are considered essential for students in the Business Finance program of study.

1. Describe common international business activities.
2. Identify methods for encouraging and measuring foreign trade.
3. Describe factors that affect economic development.
4. Explain how countries influence foreign exchange values.
5. Describe global markets for selling financial securities.
6. Explain other types of international financial markets.
7. Identify several types of international financial activities.

M. PROFESSIONALISM

Business finance professionals demonstrate professionalism at all times. The following accountability criteria are considered essential for students in the Business Finance program of study.

1. Compare and contrast employment opportunities.
2. Analyze the role of ethics in the business finance profession.

3. Identify appropriate dress and grooming for the workplace.
4. Demonstrate career readiness by obtaining a business finance-related certification.

Safety, Student Organizations, Technology Knowledge, Personal Qualities and Skills, and Professional Knowledge are to be embedded in course standards A-M.

SAFETY

Business professionals know the academic subject matter, including safety as required for proficiency within their area. The following accountability criteria are considered essential for students in any program of study.

1. Review school safety policies and procedures.
2. Review classroom safety rules and procedures.
3. Review safety procedures for using equipment in the classroom.
4. Identify major causes of work-related accidents in office environments.
5. Demonstrate safety skills in an office/work environment.

STUDENT ORGANIZATIONS

Business professionals know the academic subject matter, including professional development. The following accountability criteria are considered essential for students in any program of study.

1. Identify the purpose and goals of a Career and Technology Student Organization (CTSO).
2. Explain how CTSOs are integral parts of specific clusters, majors, and/or courses.
3. Explain the benefits and responsibilities of being a member of a CTSO.
4. List leadership opportunities that are available to students through participation in CTSO conferences, competitions, community service, philanthropy, and other activities.
5. Explain how participation in CTSOs can promote lifelong benefits in other professional and civic organizations.

TECHNOLOGY KNOWLEDGE

Business professionals know the academic subject matter, including the ethical use of technology. The following accountability criteria are considered essential for students in any program of study.

1. Demonstrate proficiency and skills associated with the use of technologies that are common to a specific occupation.
2. Identify proper netiquette when using e-mail, social media, and other technologies for communication purposes.
3. Identify potential abuse and unethical uses of laptops, tablets, computers, and/or networks.
4. Explain the consequences of social, illegal, and unethical uses of technology (e.g. piracy; cyberbullying, illegal downloading; licensing infringement; inappropriate uses of software, hardware, and mobile devices in the work environment).
5. Discuss legal issues and the terms of use related to creative commons, copyright laws, fair

- use laws, and ethics pertaining to downloading of images, photographs, documents, video, sounds, music, trademarks, and other elements for personal use.
6. Describe ethical and legal practices of safeguarding the confidentiality of business-related information.
 7. Describe possible threats to a laptop, tablet, computer, and/or network and methods of avoiding attacks.

PERSONAL QUALITIES AND EMPLOYABILITY SKILLS

Business professionals know the academic subject matter, including positive work practices and interpersonal skills. The following accountability criteria are considered essential for students in any program of study.

1. Demonstrate creativity and innovation.
2. Demonstrate critical thinking and problem-solving skills.
3. Demonstrate initiative and self-direction.
4. Demonstrate integrity.
5. Demonstrate work ethic.
6. Demonstrate conflict resolution skills.
7. Demonstrate listening and speaking skills.
8. Demonstrate respect for diversity.
9. Demonstrate customer service orientation.
10. Demonstrate teamwork.

PROFESSIONAL KNOWLEDGE

Business professionals know the academic subject matter, including positive work practices and interpersonal skills. The following accountability criteria are considered essential for students in any program of study.

1. Demonstrate global or “big picture” thinking.
2. Demonstrate career and life management skills and goal-making.
3. Demonstrate continuous learning and adaptability skills to changing job requirements.
4. Demonstrate time and resource management skills.
5. Demonstrates information literacy skills.
6. Demonstrates information security skills.
7. Demonstrates information technology skills.
8. Demonstrates knowledge and use of job-specific tools and technologies.
9. Demonstrate job-specific mathematics skills.
10. Demonstrates professionalism in the workplace.
11. Demonstrate reading and writing skills.
12. Demonstrate workplace safety.

The Additional Course Materials & Resources and Course Academic Standards and Indicators can be found in the Instruction Hub.