



# PERFORMANCE INDICATORS

## FINANCE CAREER CLUSTER

THE FINANCE CAREER CLUSTER PERFORMANCE INDICATORS ARE USED FOR THE FOLLOWING EVENTS:

### INDIVIDUAL CASE STUDY EVENTS

CORPORATE FINANCE

*Corporate Finance Pathway*

FINANCIAL ACCOUNTING

*Accounting Pathway*

Performance indicators are used to define the parameters of the comprehensive written career cluster exam and other activities that are part of the overall competition.

This list was compiled by MBAResearch and Curriculum Center and DECA Inc. and represents efforts to support all DECA competitive events within the overall framework of the National Business Administration Standards. Individual indicators are based on a review of prior research and on extensive review of available online and print literature—both from industry and education.

For additional information on these Performance Indicators, the National Curriculum Framework, or the National Business Administration Standards, please visit the MBAResearch web site at [www.MBAResearch.org](http://www.MBAResearch.org). Questions may be e-mailed to [service@MBAResearch.org](mailto:service@MBAResearch.org).

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## **Instructional Area: Business Law (BL)**

**Standard: Understands business's responsibility to know, abide by, and enforce laws and regulations that affect business operations and transactions**

**Performance Element: Acquire foundational knowledge of business laws and regulations to understand their nature and scope.**

**Performance Indicators:**

Comply with the spirit and intent of laws and regulations (BL:163) (CS)

Discuss the nature of law and sources of law in the United States (BL:067) (SP)

Describe the United States' judicial system (BL:068) (SP)

Describe methods used to protect intellectual property (BL:051) (SP)

Describe legal issues affecting businesses (BL:001) (SP)

Discuss the nature and sources of international law (i.e., treaties and international customs) (BL:142) (MN)

Discuss the nature and sources of foreign law (i.e., country judicial and legislative actions) (BL:143) (MN)

Explain the impact of global legal systems on settling international business disputes (BL:144) (MN)

**Performance Element: Understand the civil foundations of the legal environment of business to demonstrate knowledge of contracts.**

**Performance Indicators:**

Identify the basic torts relating to business enterprises (BL:069) (SP)

Describe the nature of legally binding contracts (BL:002) (SP)

**Performance Element: Explore the regulatory environment of United States' businesses to understand the diversity of regulations.**

**Performance Indicators:**

Describe the nature of legal procedure (BL:070) (SP)

Discuss the nature of debtor-creditor relationships (BL:071) (SP)

Explain the nature of agency relationships (BL:072) (SP)

Discuss the nature of environmental law (BL:073) (SP)

Discuss the role of administrative law (BL:074) (SP)

**Performance Element: Understand human-resources laws and regulations to facilitate business operations.**

**Performance Indicators:**

Explain the nature of human resources regulations (BL:007) (SU)

Explain the nature of workplace regulations (including OSHA, ADA) (BL:008) (SU)

Discuss employment relationships (BL:075) (SU)

**Performance Element: Apply knowledge of business ownership to establish and continue business operations.**

**Performance Indicators:**

Explain types of business ownership (BL:003) (CS)

Select form of business ownership (BL:006) (ON)

**Performance Element: Acquire knowledge of commerce laws and regulations to continue business operations.**

**Performance Indicators:**

Explain the nature of import/export law (BL:145) (SP)

Describe the nature of customs regulations (BL:126) (SP)

Explain the nature of trade regulations (BL:004) (MN)

Describe the impact of antitrust legislation (BL:076) (MN)

**Performance Element: Understand tax laws and regulations to adhere to government requirements.**

**Performance Indicators:**

Explain the nature of tax regulations on business (BL:009) (ON)

Explain the nature of businesses' reporting requirements (BL:010) (ON)

Develop strategies for legal/government compliance (BL:011) (ON)

## **Instructional Area: Communication Skills (CO)**

**Standard: Understands the concepts, strategies, and systems used to obtain and convey ideas and information**

**Performance Element: Read to acquire meaning from written material and to apply the information to a task.**

**Performance Indicators:**

Identify sources that provide relevant, valid written material (CO:054) (PQ)

Extract relevant information from written materials (CO:055) (PQ)

Apply written directions to achieve tasks (CO:056) (PQ)

Analyze company resources to ascertain policies and procedures (CO:057) (CS)

**Performance Element: Apply active listening skills to demonstrate understanding of what is being said.**

**Performance Indicators:**

Explain communication techniques that support and encourage a speaker (CO:082) (PQ)

Follow oral directions (CO:119) (PQ)

Demonstrate active listening skills (CO:017) (PQ)

**Performance Element: Apply verbal skills to obtain and convey information.****Performance Indicators:**

Explain the nature of effective verbal communications (CO:147) (PQ)  
Ask relevant questions (CO:058) (PQ)  
Interpret others' nonverbal cues (CO:059) (PQ)  
Provide legitimate responses to inquiries (CO:060) (PQ)  
Give verbal directions (CO:083) (PQ)  
Employ communication styles appropriate to target audience (CO:084) (CS)  
Defend ideas objectively (CO:061) (CS)  
Handle phone calls in a businesslike manner (CO:114) (CS)  
Participate in group discussions (CO:053) (CS)  
Facilitate (lead) group discussions (CO:201) (SP)  
Make oral presentations (CO:025) (SP)

**Performance Element: Record information to maintain and present a report of business activity.****Performance Indicators:**

Utilize note-taking strategies (CO:085) (CS)  
Organize information (CO:086) (CS)  
Select and use appropriate graphic aids (CO:087) (CS)

**Performance Element: Write internal and external business correspondence to convey and obtain information effectively.****Performance Indicators:**

Explain the nature of effective written communications (CO:016) (CS)  
Select and utilize appropriate formats for professional writing (CO:088) (CS)  
Edit and revise written work consistent with professional standards (CO:089) (CS)  
Write professional emails (CO:090) (CS)  
Write business letters (CO:133) (CS)  
Write informational messages (CO:039) (CS)  
Write inquiries (CO:040) (CS)  
Write persuasive messages (CO:031) (SP)  
Write executive summaries (CO:091) (SP)  
Prepare simple written reports (CO:094) (SP)  
Explain how digital communications (e.g., email, text messages, chats) exposes business to risk (CO:202) (SP)  
Adapt written correspondence to targeted audiences (CO:203) (SP)  
Use data visualization techniques (e.g., infographics, heat-maps, dynamic model outputs) (CO:204) (SP)  
Prepare complex written reports (CO:009) (MN)  
Write proposals (CO:062) (MN)

**Performance Element: Use social media to communicate with a business's stakeholders.**

**Performance Indicators:**

Describe the impact of a person's social media brand on the achievement of organizational objectives (CO:205) (CS)

Distinguish between using social media for business and personal purposes (CO:206) (CS)

**Performance Element: Communicate with staff to clarify workplace objectives.**

**Performance Indicators:**

Explain the nature of staff communication (CO:014) (CS)

Choose and use appropriate channel for workplace communication (CO:092) (CS)

Participate in a staff meeting (CO:063) (CS)

Participate in problem-solving groups (CO:067) (CS)

Provide directions for completing job tasks (CO:139) (SU)

Update employees on business and economic trends (CO:172) (SU)

Conduct a staff meeting (CO:140) (SU)

Conduct planning meetings (CO:052) (SU)

## **Instructional Area: Customer Relations (CR)**

**Standard: Understands the techniques and strategies used to foster positive, ongoing relationships with customers**

**Performance Element: Foster positive relationships with customers to enhance company image.**

**Performance Indicators:**

Explain the nature of positive customer relations (CR:003) (CS)

Demonstrate a customer service mindset (CR:004) (CS)

Develop rapport with customers (CR:029) (CS)

Reinforce service orientation through communication (CR:005) (CS)

Respond to customer inquiries (CR:006) (CS)

Adapt communication to the cultural and social differences among clients (CR:019) (CS)

Interpret business policies to customers/clients (CR:007) (CS)

Build and maintain relationships with customers (CR:030) (SP)

Explain management's role in customer relations (CR:008) (MN)

**Performance Element: Resolve conflicts with/for customers to encourage repeat business.**

**Performance Indicators:**

Handle difficult customers (CR:009) (CS)

Handle customer/client complaints (CR:010) (CS)

**Performance Element: Reinforce company's image to exhibit the company's brand promise.**

**Performance Indicators:**

Identify company's brand promise (CR:001) (CS)

Determine ways of reinforcing the company's image through employee performance (CR:002) (CS)

**Performance Element: Understand the nature of customer relationship management to show its contributions to a company.**

**Performance Indicators:**

Discuss the nature of customer relationship management (CR:016) (SP)

Explain the role of ethics in customer relationship management (CR:017) (SP)

Describe the use of technology in customer relationship management (CR:018) (SP)

## **Instructional Area: Economics (EC)**

**Standard: Understands the economic principles and concepts fundamental to business operations**

**Performance Element: Understand fundamental economic concepts to obtain a foundation for employment in business.**

**Performance Indicators:**

Distinguish between economic goods and services (EC:002) (CS)

Explain the concept of economic resources (EC:003) (CS)

Describe the concepts of economics and economic activities (EC:001) (CS)

Determine economic utilities created by business activities (EC:004) (CS)

Explain the principles of supply and demand (EC:005) (CS)

Describe the functions of prices in markets (EC:006) (CS)

**Performance Element: Understand the nature of business to show its contributions to society.**

**Performance Indicators:**

Explain the role of business in society (EC:070) (CS)

Describe types of business activities (EC:071) (CS)

Describe types of business models (EC:138) (SP)

Explain the organizational design of businesses (EC:103) (SP)

Discuss the global environment in which businesses operate (EC:104) (SP)

Describe factors that affect the business environment (EC:105) (SP)

Explain the nature of business ethics (EC:106) (SP)

Explain how organizations adapt to today's markets (EC:107) (SP)

**Performance Element: Understand economic systems to be able to recognize the environments in which businesses function.**

**Performance Indicators:**

- Explain the types of economic systems (EC:007) (CS)
- Identify the impact of small business/entrepreneurship on market economies (EC:065) (CS)
- Explain the concept of private enterprise (EC:009) (CS)
- Identify factors affecting a business's profit (EC:010) (CS)
- Determine factors affecting business risk (EC:011) (CS)
- Explain the concept of competition (EC:012) (CS)

**Performance Element: Acquire knowledge of the impact of government on business activities to make informed economic decisions.**

**Performance Indicators:**

- Determine the relationship between government and business (EC:008) (CS)
- Describe the nature of taxes (EC:072) (SP)
- Discuss the nature of monetary policy (EC:073) (MN)
- Discuss the supply and demand for money (EC:096) (MN)
- Explain the role of the Federal Reserve System (EC:097) (MN)
- Explain the concept of fiscal policies (EC:074) (MN)
- Describe the effects of fiscal and monetary policies (EC:098) (MN)
- Describe the effects of foreign fiscal and monetary policies on the domestic economy (EC:139) (MN)

**Performance Element: Analyze cost/profit relationships to guide business decision-making.**

**Performance Indicators:**

- Explain the concept of productivity (EC:013) (CS)
- Analyze impact of specialization/division of labor on productivity (EC:014) (SP)
- Explain the concept of organized labor and business (EC:015) (SP)
- Explain the impact of the law of diminishing returns (EC:023) (SP)
- Describe the concept of economies of scale (EC:077) (MN)

**Performance Element: Understand economic indicators to recognize economic trends and conditions.**

**Performance Indicators:**

- Discuss the measure of consumer spending as an economic indicator (EC:081) (SP)
- Describe the economic impact of inflation on business (EC:083) (SP)
- Explain the concept of Gross Domestic Product (GDP) (EC:017) (SP)
- Discuss the impact of a nation's unemployment rates (EC:082) (SP)
- Explain the economic impact of interest-rate fluctuations (EC:084) (SP)
- Determine the impact of business cycles on business activities (EC:018) (SP)

**Performance Element: Understand global trade's impact to aid business decision-making.**

**Performance Indicators:**

- Explain the nature of global trade (EC:016) (SP)
- Discuss the impact of globalization on business (EC:109) (SP)
- Describe the determinants of exchange rates and their effects on the domestic economy (EC:100) (SP)
- Explain cultural considerations that impact global business relations (EC:110) (SP)
- Discuss the impact of cultural and social environments on global trade (EC:045) (SP)
- Describe the impact of electronic communication tools (e.g., internet, video- and computer-conferencing, webcasts, email) on global business activities (EC:111) (SP)
- Explain the impact of major trade alliances on business activities (EC:112) (SP)
- Describe the impact of the political environment on world trade (EC:113) (SP)
- Explain the impact of geography on world trade (EC:114) (SP)
- Describe the impact of a country's history on world trade (EC:115) (SP)
- Explain the impact of a country's economic development on world trade (EC:116) (SP)
- Discuss the impact of bribery and foreign monetary payments on business (EC:140) (SP)
- Identify requirements for international business travel (e.g., passport, visa, proof of citizenship, immunizations, and sponsorship letters) (EC:141) (SP)
- Explain labor issues associated with global trade (EC:101) (SU)
- Discuss the potential impact of emerging economies on business activities (EC:117) (MN)

## **Instructional Area: Emotional Intelligence (EI)**

**Standard: Understands techniques, strategies, and systems used to foster self-understanding and enhance relationships with others**

**Performance Element: Foster self-understanding to recognize the impact of personal feelings on others.**

**Performance Indicators:**

- Describe the nature of emotional intelligence (EI:001) (PQ)
- Explain the concept of self-esteem (EI:016) (PQ)
- Recognize and overcome personal biases and stereotypes (EI:017) (PQ)
- Assess personal strengths and weaknesses (EI:002) (PQ)
- Assess personal behavior and values (EI:126) (PQ)

**Performance Element: Develop personal traits to foster career advancement.**

**Performance Indicators:**

- Identify desirable personality traits important to business (EI:018) (PQ)
- Exhibit self-confidence (EI:023) (PQ)
- Demonstrate interest and enthusiasm (EI:020) (PQ)
- Explain the importance of demonstrating initiative (EI:024) (PQ)

**Performance Element: Apply ethics to demonstrate trustworthiness.****Performance Indicators:**

Demonstrate honesty and integrity (EI:022) (PQ)  
Demonstrate responsible behavior (EI:021) (PQ)  
Demonstrate fairness (EI:127) (PQ)  
Assess risks of personal decisions (EI:091) (PQ)  
Demonstrate ethical work habits (EI:004) (PQ)  
Take responsibility for decisions and actions (EI:075) (PQ)  
Build trust in relationships (EI:128) (CS)  
Describe the nature of ethics (EI:123) (CS)  
Explain reasons for ethical dilemmas (EI:124) (CS)  
Recognize and respond to ethical dilemmas (EI:125) (CS)  
Manage commitments in a timely manner (EI:077) (CS)  
Develop tolerance for ambiguity (EI:092) (CS)

**Performance Element: Exhibit techniques to manage emotional reactions to people and situations.****Performance Indicators:**

Exhibit a positive attitude (EI:019) (PQ)  
Demonstrate self-control (EI:025) (PQ)  
Explain the use of feedback for personal growth (EI:003) (PQ)  
Adjust to change (EI:026) (PQ)

**Performance Element: Identify with others' feelings, needs, and concerns to enhance interpersonal relations.****Performance Indicators:**

Respect the privacy of others (EI:029) (PQ)  
Show empathy for others (EI:030) (PQ)  
Maintain the confidentiality of others (EI:103) (CS)  
Exhibit cultural sensitivity (EI:033) (CS)  
Leverage personality types in business situations (EI:104) (SP)  
Adapt management style to the personality type of others (EI:105) (SU)

**Performance Element: Use communication skills to foster open, honest communications.****Performance Indicators:**

Explain the nature of effective communications (EI:007) (PQ)  
Explain ethical considerations in providing information (EI:038) (SP)  
Foster open, honest communication (EI:129) (SP)  
Collaborate with others (EI:130) (SP)  
Solicit feedback (EI:106) (SP)  
Use social media to solicit new ideas and solutions (EI:107) (SP)

**Performance Element: Use communication skills to influence others.**

**Performance Indicators:**

"Sell" ideas to others (EI:108) (SP)  
Persuade others (EI:012) (SP)  
Demonstrate negotiation skills (EI:062) (SP)  
Offer constructive criticism (EI:080) (SU)

**Performance Element: Manage stressful situations to minimize potential negative impact.**

**Performance Indicators:**

Use appropriate assertiveness (EI:008) (PQ)  
Use conflict-resolution skills (EI:015) (CS)  
Explain the nature of office politics (EI:109) (CS)  
Overcome problems and difficulties associated with office politics/turf wars (EI:095) (CS)  
Explain the nature of stress management (EI:028) (SP)  
Manage crises in relationships (EI:110) (SU)

**Performance Element: Implement teamwork techniques to accomplish goals.**

**Performance Indicators:**

Participate as a team member (EI:045) (CS)  
Use consensus-building skills (EI:011) (SP)  
Motivate team members (EI:059) (SP)  
Encourage team building (EI:044) (SU)

**Performance Element: Employ leadership skills to achieve workplace objectives.**

**Performance Indicators:**

Explain the concept of leadership (EI:009) (CS)  
Explain the nature of ethical leadership (EI:131) (CS)  
Model ethical behavior (EI:132) (CS)  
Determine personal vision (EI:063) (CS)  
Inspire others (EI:133) (CS)  
Demonstrate adaptability (EI:006) (CS)  
Develop an achievement orientation (EI:027) (CS)  
Challenge the status quo (EI:134) (CS)  
Lead change (EI:005) (CS)  
Enlist others in working toward a shared vision (EI:060) (CS)  
Coach others (EI:041) (CS)  
Use power appropriately (EI:135) (SP)  
Act as a role model to fulfill the organization's standards/values (EI:111) (SU)  
Recognize/Reward others for their efforts and contributions (EI:014) (SP)

**Performance Element: Manage internal and external business relationships to foster positive interactions.**

**Performance Indicators:**

Treat others with dignity and respect (EI:036) (PQ)  
Foster positive working relationships (EI:037) (CS)  
Consider conflicting viewpoints (EI:136) (CS)  
Assess long-term value and impact of actions on others (EI:137) (SP)  
Maintain collaborative partnerships with colleagues (EI:061) (SP)  
Explain the impact of political relationships within an organization (EI:034) (SP)  
Explain the nature of organizational culture (EI:064) (SP)  
Interpret and adapt to a business's culture (EI:112) (SP)  
Determine stakeholder expectations (EI:113) (MN)  
Establish strategic relationships with others (EI:114) (MN)  
Share best practices with key individuals and groups (EI:115) (MN)  
Leverage business relationships (EI:116) (MN)

## **Instructional Area: Entrepreneurship (EN)**

**Standard: Understands the concepts, processes, and skills associated with identifying new ideas, opportunities, and methods and with creating or starting a new project or venture**

**Performance Element: Understand fundamental factors about entrepreneurship to recognize its role and importance in the economy.**

**Performance Indicators:**

Describe the nature of entrepreneurship (EN:039) (SP)  
Explain the role requirements of entrepreneurs and owners (EN:040) (SP)  
Describe the use of business ethics in entrepreneurship (EN:044) (SP)  
Describe small-business opportunities in international trade (EN:041) (SP)

**Performance Element: Employ entrepreneurial discovery strategies to generate feasible ideas for business ventures.**

**Performance Indicators:**

Explain the need for entrepreneurial discovery (EN:001) (ON)  
Discuss entrepreneurial discovery processes (EN:002) (ON)  
Assess global trends and opportunities for business ventures (EN:003) (ON)  
Determine opportunities for venture creation (EN:004) (ON)  
Assess opportunities for venture creation (EN:005) (ON)  
Generate venture ideas (EN:006) (ON)  
Determine feasibility of venture ideas (EN:038) (ON)

**Performance Element: Develop concept for new business venture to evaluate its success potential.**

**Performance Indicators:**

- Describe entrepreneurial planning considerations (EN:007) (ON)
- Explain tools used by entrepreneurs for venture planning (EN:008) (ON)
- Assess start-up requirements (EN:009) (ON)
- Assess risks associated with venture (EN:010) (ON)
- Describe external resources useful to entrepreneurs during concept development (EN:011) (ON)
- Assess the need to use external resources for concept development (EN:012) (ON)
- Select strategies to protect intellectual property (EN:013) (ON)
- Use components of business plan to define venture idea (EN:014) (ON)
- Select market-entry strategies for conducting business internationally (EN:122) (ON)

**Performance Element: Determine needed resources for a new business venture to contribute to its start-up viability.**

**Performance Indicators:**

- Describe processes used to acquire adequate financial resources for venture creation/start-up (EN:015) (ON)
- Select sources to finance venture creation/start-up (EN:016) (ON)
- Explain factors to consider in determining a venture's human-resources needs (EN:017) (ON)
- Explain considerations in making the decision to hire staff (EN:018) (ON)
- Describe considerations in selecting capital resources (EN:019) (ON)
- Identify capital resources needed for the venture (EN:020) (ON)
- Assess the costs/benefits associated with resources (EN:021) (ON)

**Performance Element: Actualize new business venture to generate profit and/or meet objectives.**

**Performance Indicators:**

- Establish banking procedures (EN:042) (ON)
- Use external resources to supplement entrepreneur's expertise (EN:022) (ON)
- Explain the complexity of business operations (EN:023) (ON)
- Establish line of credit (EN:043) (ON)
- Evaluate risk-taking opportunities (EN:024) (ON)
- Explain the need for business systems and procedures (EN:025) (ON)
- Describe the use of operating procedures (EN:026) (ON)
- Explain methods/processes for organizing workflow (EN:027) (ON)
- Develop and/or provide product/service (EN:028) (ON)
- Use creative problem-solving in business activities/decisions (EN:029) (ON)
- Explain the impact of resource productivity on venture success (EN:030) (ON)
- Create processes for ongoing opportunity recognition (EN:031) (ON)
- Develop plan to invest resources into improving current products or creating new ones (EN:032) (ON)
- Adapt to changes in business environment (EN:033) (ON)

**Performance Element: Select harvesting strategies to identify entrepreneur's role in the business venture.**

**Performance Indicators:**

Explain the need for continuation planning (EN:034) (ON)

Describe methods of venture harvesting (EN:035) (ON)

Evaluate options for continued venture involvement (EN:036) (ON)

Develop exit strategies (EN:037) (ON)

## **Instructional Area: Financial Analysis (FI)**

**Standard: Understands tools, strategies, and systems used to maintain, monitor, control, and plan the use of financial resources**

**Performance Element: Understand the fundamental principles of money needed to make financial exchanges.**

**Performance Indicators:**

Explain forms of financial exchange (cash, credit, debit, electronic funds transfer, etc.) (FI:058) (PQ)

Identify types of currency (paper money, coins, banknotes, government bonds, treasury notes, etc.) (FI:059) (PQ)

Describe functions of money (medium of exchange, unit of measure, store of value) (FI:060) (PQ)

Describe sources of income and compensation (FI:061) (CS)

Explain the time value of money (FI:062) (CS)

Explain the purposes and importance of credit (FI:002) (CS)

Explain legal responsibilities associated with consumer financial products and services (FI:063) (CS)

**Performance Element: Analyze financial needs and goals to determine financial requirements.**

**Performance Indicators:**

Explain the need to save and invest (FI:270) (CS)

Set financial goals (FI:065) (CS)

Develop personal budget (FI:066) (CS)

Determine personal net worth (FI:562) (CS)

**Performance Element: Manage personal finances to achieve financial goals.****Performance Indicators:**

Explain the nature of tax liabilities (FI:067) (PQ)  
Interpret a pay stub (FI:068) (PQ)  
Write checks (FI:560) (PQ)  
Maintain financial records (FI:069) (PQ)  
Balance a bank account (FI:070) (PQ)  
Explain the nature of charitable giving (FI:567) (PQ)  
Manage online accounts (FI:830) (CS)  
Calculate the cost of credit (FI:782) (CS)  
Demonstrate the wise use of credit (FI:071) (CS)  
Validate credit history (FI:072) (CS)  
Make responsible financial decisions (FI:783) (CS)  
Protect against identity theft (FI:073) (CS)  
Pay bills (FI:565) (CS)  
Apply for a consumer loan (FI:625) (SP)  
Control debt (FI:568) (CS)  
Prepare personal income tax forms (FI:074) (CS)  
Discuss options for financing a college education (FI:831) (CS)  
Discuss the nature of retirement planning (FI:569) (CS)  
Explain the nature of estate planning (FI:572) (CS)

**Performance Element: Understand the use of financial-services providers to aid in financial-goal achievement.****Performance Indicators:**

Describe types of financial-services providers (FI:075) (CS)  
Discuss considerations in selecting a financial-services provider (FI:076) (CS)

**Performance Element: Use investment strategies to ensure financial well-being.****Performance Indicators:**

Explain types of investments (FI:077) (CS)  
Establish investment goals and objectives (FI:079) (MN)

**Performance Element: Use risk management products to protect a business's financial well-being.****Performance Indicators:**

Describe the concept of insurance (FI:081) (CS)  
Obtain insurance coverage (FI:082) (ON)  
Settle insurance losses (FI:083) (ON)

**Performance Element: Identify potential threats and opportunities to protect financial well-being.**

**Performance Indicators:**

Determine insurance needs (FI:571) (SP)

**Performance Element: Acquire a foundational knowledge of accounting to understand its nature and scope.**

**Performance Indicators:**

Describe the need for financial information (FI:579) (CS)

Explain the concept of accounting (FI:085) (CS)

Discuss the role of ethics in accounting (FI:351) (SP)

Explain the use of technology in accounting (FI:352) (SP)

Explain legal considerations for accounting (FI:353) (SP)

**Performance Element: Implement accounting procedures to track money flow and to determine financial status.**

**Performance Indicators:**

Describe the nature of cash flow statements (FI:091) (SP)

Prepare cash flow statements (FI:092) (MN)

Explain the nature of balance sheets (FI:093) (SP)

Describe the nature of income statements (FI:094) (SP)

**Performance Element: Acquire a foundational knowledge of finance to understand its nature and scope.**

**Performance Indicators:**

Explain the role of finance in business (FI:354) (CS)

Discuss the role of ethics in finance (FI:355) (SP)

Explain legal considerations for finance (FI:356) (SP)

**Performance Element: Implement financial skills to obtain business credit and to control its use.**

**Performance Indicators:**

Explain the purposes and importance of obtaining business credit (FI:023) (ON)

Analyze critical banking relationships (FI:039) (ON)

Make critical decisions regarding acceptance of bank cards (FI:040) (ON)

Determine financing needed for business operations (FI:043) (ON)

Identify risks associated with obtaining business credit (FI:041) (ON)

Explain sources of financial assistance (FI:031) (ON)

Explain loan evaluation criteria used by lending institutions (FI:034) (ON)

Complete loan application package (FI:033) (ON)

**Performance Element: Manage financial resources to ensure solvency.**

**Performance Indicators:**

Describe the nature of budgets (FI:106) (SP)

Explain the nature of operating budgets (FI:098) (SU)

Describe the nature of cost-benefit analysis (FI:357) (MN)

Determine relationships among total revenue, marginal revenue, output, and profit (FI:358) (MN)

Develop company's/department's budget (FI:099) (MN)

Forecast sales (FI:096) (MN)

Calculate financial ratios (FI:097) (MN)

Interpret financial statements (FI:102) (MN)

File business tax returns (FI:652) (ON)

Verify the accuracy of business financial records (FI:653) (ON)

## **Instructional Area: Human Resources Management (HR)**

**Standard: Understands the tools, techniques, and systems that businesses use to plan, staff, lead, and organize its human resources**

**Performance Element: Understand the role and function of human resources management to obtain a foundational knowledge of its nature and scope.**

**Performance Indicators:**

Discuss the nature of human resources management (HR:410) (CS)

Explain the role of ethics in human resources management (HR:411) (SP)

Describe the use of technology in human resources management (HR:412) (SP)

**Performance Element: Staff a business unit to satisfy work demands while adhering to budget constraints.**

**Performance Indicators:**

Determine hiring needs (HR:353) (SU)

Screen job applications/resumes (HR:354) (SU)

Interview job applicants (HR:355) (SU)

Discuss employee compensation (HR:390) (SU)

Select and hire new employees (HR:356) (SU)

Conduct exit interviews (HR:357) (SU)

Dismiss/Fire employees (HR:358) (SU)

Maintain human resources records (HR:359) (SU)

**Performance Element: Manage staff growth and development to increase productivity and employee satisfaction.**

**Performance Indicators:**

Orient new employees (HR:360) (CS)  
Orient new employees (management's role) (HR:361) (SU)  
Explain the role of training and human resources development (HR:362) (SU)  
Explain the nature of management/supervisory training (HR:363) (SU)  
Explain the nature of leadership in organizations (HR:493) (SU)  
Describe ways that businesses build positive employer-employee relationships (HR:449) (SU)  
Foster employee engagement and commitment (HR:513) (SU)  
Coach employees (HR:364) (SU)  
Recognize/Reward employees (HR:365) (SU)  
Maintain ongoing discussion of issues related to compensation (HR:391) (SU)  
Train staff (HR:392) (SU)  
Supervise staff (HR:393) (SU)  
Involve staff in company activities (HR:405) (SU)  
Foster "right" environment for employees (HR:403) (SU)  
Assess employee performance (HR:368) (SU)  
Ensure equitable opportunities for employees (HR:367) (SU)  
Assess employee performance (HR:368) (SU)  
Assess team performance (HR:494) (SU)

**Performance Element: Implement organizational skills to facilitate others' work efforts.**

**Performance Indicators:**

Assist employees with prioritizing work responsibilities (HR:385) (SU)  
Delegate work to others (HR:386) (SU)  
Coordinate efforts of cross-functional teams to achieve project/company goals (HR:387) (SU)  
Manage collaborative efforts (HR:388) (SU)  
Harmonize tasks, projects, and employees in the context of business priorities (HR:389) (SU)  
Coordinate human, capital, and fiscal resources to meet business priorities (HR:508) (MN)

**Performance Element: Resolve staff issues/problems to enhance productivity and improve employee relationships.**

**Performance Indicators:**

Handle employee complaints and grievances (HR:366) (SU)  
Explain issues associated with the payroll process (HR:394) (SU)  
Explain the nature of remedial action (HR:369) (SU)

## Instructional Area: Marketing (MK)

**Standard:** Understands the tools, techniques, and systems that businesses use to create exchanges and satisfy organizational objectives

**Performance Element:** Understand marketing's role and function in business to facilitate economic exchanges with customers.

**Performance Indicators:**

Explain marketing and its importance in a global economy (MK:001) (CS)

Describe marketing functions and related activities (MK:002) (CS)

**Performance Element:** Acquire foundational knowledge of customer/client/business behavior to understand what motivates decision-making.

**Performance Indicators:**

Explain factors that influence customer/client/business buying behavior (MK:014) (SP)

Discuss actions employees can take to achieve the company's desired results (MK:015) (SP)

Describe connections between company actions and results (e.g., influencing consumer buying behavior, gaining market share, etc.) (MK:019) (SP)

## Instructional Area: Information Management (NF)

**Standard:** Understands tools, strategies, and systems needed to access, process, maintain, evaluate, and disseminate information to assist business decision-making

**Performance Element:** Use information literacy skills to increase workplace efficiency and effectiveness.

**Performance Indicators:**

Assess information needs (NF:077) (CS)

Obtain needed information efficiently (NF:078) (CS)

Evaluate quality and source of information (NF:079) (CS)

Draw conclusions based on information analysis (NF:278) (CS)

Apply information to accomplish a task (NF:080) (CS)

Store information for future use (NF:081) (CS)

**Performance Element:** Acquire a foundational knowledge of information management to understand its nature and scope.

**Performance Indicators:**

Discuss the nature of information management (NF:110) (CS)

Explain the role of ethics in information management (NF:111) (SP)

Explain legal issues associated with information management (NF:076) (SP)

**Performance Element: Utilize information-technology tools to manage and perform work responsibilities.**

**Performance Indicators:**

Identify ways that technology impacts business (NF:003) (PQ)  
Explain the role of information systems (NF:083) (PQ)  
Discuss principles of computer systems (NF:084) (PQ)  
Use basic operating systems (NF:085) (PQ)  
Describe the scope of the internet (NF:086) (PQ)  
Demonstrate basic email functions (NF:004) (PQ)  
Demonstrate personal information management/productivity applications (NF:005) (PQ)  
Demonstrate basic web-search skills (NF:006) (PQ)  
Demonstrate basic word processing skills (NF:007) (PQ)  
Demonstrate basic presentation applications (NF:008) (PQ)  
Demonstrate basic database applications (NF:009) (PQ)  
Demonstrate basic spreadsheet applications (NF:010) (PQ)  
Use an integrated business software application package (NF:088) (CS)  
Demonstrate collaborative/groupware applications (NF:011) (CS)  
Create and post basic web page (NF:042) (CS)  
Collaborate on and aggregate complex internal documents to create a common voice (NF:215) (SP)  
Establish specifications for selecting hardware/software systems (NF:091) (MN)  
Determine venture's information technology needs (NF:012) (MN)

**Performance Element: Maintain business records to facilitate business operations.**

**Performance Indicators:**

Describe the nature of business records (NF:001) (SP)  
Maintain customer records (NF:002) (SP)

**Performance Element: Acquire information to guide business decision-making.**

**Performance Indicators:**

Describe current business trends (NF:013) (SP)  
Monitor internal records for business information (NF:014) (SP)  
Conduct an environmental scan to obtain business information (NF:015) (SP)  
Interpret statistical findings (NF:093) (SP)  
Translate research findings into actionable business recommendations (NF:216) (SP)

**Performance Element: Create and access databases to acquire information for business decision-making.**

**Performance Indicators:**

Explain the principles of data analysis (NF:139) (SP)  
Explain the nature of tools that can be used to access information in the database system (NF:140) (SP)  
Access information in the database system (NF:141) (SP)

**Performance Element: Apply data mining methods to acquire pertinent information for business decision-making.**

**Performance Indicators:**

Demonstrate basic data mining techniques (NF:151) (SP)

Discuss the nature of data mining (NF:148) (CS)

Describe data mining tools and techniques (NF:149) (SP)

Discuss the importance of ethics in data mining (NF:150) (SP)

Interpret data mining findings (NF:152) (SP)

## **Instructional Area: Operations (OP)**

**Standard: Understands the processes and systems implemented to monitor, plan, and control the day-to-day activities required for continued business functioning**

**Performance Element: Understand operation's role and function in business to value its contribution to a company.**

**Performance Indicators:**

Explain the nature of operations (OP:189) (CS)

Discuss the role of ethics in operations (OP:190) (SP)

Describe the use of technology in operations (OP:191) (SP)

**Performance Element: Adhere to health and safety regulations to support a safe work environment.**

**Performance Indicators:**

Describe health and safety regulations in business (OP:004) (PQ)

Report noncompliance with business health and safety regulations (OP:005) (PQ)

**Performance Element: Implement safety procedures to minimize loss.**

**Performance Indicators:**

Follow instructions for use of equipment, tools, and machinery (OP:006) (PQ)

Follow safety precautions (OP:007) (PQ)

Maintain a safe work environment (OP:008) (CS)

Explain procedures for handling accidents (OP:009) (CS)

Handle and report emergency situations (OP:010) (CS)

**Performance Element: Determine needed safety policies/procedures to protect employees.**

**Performance Indicators:**

Identify potential safety issues (OP:151) (MN)

Establish safety policies and procedures (OP:012) (MN)

**Performance Element: Implement security policies/procedures to minimize chance for loss.**

**Performance Indicators:**

Explain routine security precautions (OP:013) (CS)

Follow established security procedures/policies (OP:152) (CS)

Protect company information and intangibles (OP:153) (CS)

**Performance Element: Comply with security rules, regulations, and codes (e.g., property, privacy, access, confidentiality) to protect customer and company information, reputation, and image.**

**Performance Indicators:**

Explain information privacy, security, and confidentiality considerations in business (OP:441) (CS)

Maintain data security (OP:064) (CS)

**Performance Element: Develop policies/procedures to protect workplace security.**

**Performance Indicators:**

Identify potential security issues (OP:154) (MN)

Establish policies to protect company information and intangibles (OP:155) (MN)

Establish policies to maintain a non-hostile work environment (OP:156) (SU)

Establish policies and procedures to maintain physical security of the work environment (OP:157) (MN)

**Performance Element: Acquire a foundational knowledge of project management to understand its nature and scope.**

**Performance Indicators:**

Explain the nature of project management (OP:158) (SP)

Describe the role of ethics in project management (OP:675) (SP)

**Performance Element: Utilize project management skills to improve workflow and minimize costs.**

**Performance Indicators:**

Plan project (OP:519) (CS)

Monitor projects and take corrective actions (OP:520) (CS)

Evaluate project success (OP:521) (CS)

Identify resources needed for project (OP:003) (SP)

Develop project plan (OP:001) (SP)

Apply project-management tools to monitor and communicate project progress (OP:002) (SP)

Evaluate project results (OP:159) (SP)

**Performance Element: Implement purchasing activities to obtain business supplies, equipment, resources, and services.**

**Performance Indicators:**

Explain the nature and scope of purchasing (OP:015) (CS)

Place orders/reorders (OP:016) (CS)

Maintain inventory of supplies (OP:031) (CS)

Discuss the importance of utilizing ethical purchasing methods (OP:246) (SP)

Explain the impact of the purchasing process on productivity (OP:247) (SP)

Manage the bid process in purchasing (OP:160) (SP)

Select vendors (OP:161) (SP)

Evaluate vendor performance (OP:162) (SP)

Establish bid specifications (OP:243) (MN)

**Performance Element: Understand production's role and function in business to recognize its need in an organization.**

**Performance Indicators:**

Explain the concept of production (OP:017) (CS)

**Performance Element: Implement quality-control processes to minimize errors and to expedite workflow.**

**Performance Indicators:**

Identify quality-control measures (OP:163) (SP)

Utilize quality control methods at work (OP:164) (SP)

Describe crucial elements of a quality culture (OP:019) (SP)

Resolve problems with suppliers' quality issues (OP:652) (SP)

Describe the role of management in the achievement of quality (OP:020) (MN)

Establish efficient operating systems (OP:022) (MN)

**Performance Element: Implement expense-control strategies to enhance a business's financial wellbeing.**

**Performance Indicators:**

Explain the nature of overhead/operating costs (OP:024) (SP)

Explain employee's role in expense control (OP:025) (SP)

Control use of supplies (OP:026) (SU)

Conduct break-even analysis (OP:192) (MN)

Negotiate service and maintenance contracts (OP:027) (MN)

Negotiate lease or purchase of facility (OP:028) (MN)

Develop expense control plans (OP:029) (MN)

Use budgets to control operations (OP:030) (MN)

**Performance Element: Implement organizational skills to improve efficiency and work flow.**

**Performance Indicators:**

Organize and prioritize work (OP:228) (CS)

Coordinate work with that of team members (OP:230) (CS)

Coordinate activities with those of other departments (OP:196) (SP)

**Performance Element: Maintain work flow to enhance productivity.**

**Performance Indicators:**

Monitor and ensure completion of delegated tasks (OP:354) (SP)

Streamline work processes (OP:355) (SP)

**Performance Element: Maintain property and equipment to facilitate ongoing business activities.**

**Performance Indicators:**

Comply with policies and procedures for use of property and equipment (OP:442) (CS)

**Performance Element: Understand supply chain management's role in business to appreciate its contributions to efficiency and profitability.**

**Performance Indicators:**

Explain the concept of supply chain (OP:443) (CS)

Explain the benefits of supply chain collaboration (OP:444) (SP)

## **Instructional Area: Professional Development (PD)**

**Standard: Understands concepts, tools, and strategies used to explore, obtain, and develop in a business career**

**Performance Element: Acquire self-development skills to enhance relationships and improve efficiency in the work environment.**

**Performance Indicators:**

Maintain appropriate personal appearance (PD:002) (PQ)

Demonstrate systematic behavior (PD:009) (PQ)

Set personal goals (PD:018) (CS)

Balance personal and professional responsibilities (PD:179) (SP)

**Performance Element: Understand and follow company rules and regulations to maintain employment.**

**Performance Indicators:**

Adhere to company protocols and policies (PD:250) (CS)

Follow rules of conduct (PD:251) (CS)

Follow chain of command (PD:252) (CS)

**Performance Element: Achieve organizational goals to contribute to company growth.**

**Performance Indicators:**

Determine the nature of organizational goals (PD:254) (SP)

Ascertain employee's role in meeting organizational goals (PD:255) (SP)

Establish performance standards to meet organizational goals (PD:256) (MN)

Monitor progress in achieving organizational goals (PD:257) (MN)

**Performance Element: Utilize critical-thinking skills to determine best options/outcomes.**

**Performance Indicators:**

Explain the need for innovation skills (PD:126) (CS)

Make decisions (PD:017) (CS)

Demonstrate problem-solving skills (PD:077) (CS)

Demonstrate appropriate creativity (PD:012) (SP)

Use time-management skills (PD:019) (SP)

**Performance Element: Participate in career planning to enhance job-success potential.**

**Performance Indicators:**

Assess personal interests and skills needed for success in business (PD:013) (PQ)

Analyze employer expectations in the business environment (PD:020) (PQ)

Explain the rights of workers (PD:021) (PQ)

Identify sources of career information (PD:022) (CS)

Identify tentative occupational interest (PD:023) (CS)

Explain employment opportunities in business (PD:025) (CS)

Explain career opportunities in entrepreneurship (PD:066) (CS)

**Performance Element: Implement job-seeking skills to obtain employment.**

**Performance Indicators:**

Utilize job-search strategies (PD:026) (PQ)

Complete a job application (PD:027) (PQ)

Interview for a job (PD:028) (PQ)

Write a follow-up letter after job interviews (PD:029) (CS)

Write a cover letter (PD:030) (CS)

Prepare a resume (PD:031) (CS)

Use networking techniques to identify employment opportunities (PD:037) (SP)

**Performance Element: Utilize career-advancement activities to enhance professional development.**

**Performance Indicators:**

Describe techniques for obtaining work experience (e.g., volunteer activities, internships) (PD:032) (PQ)

Explain the need for ongoing education as a worker (PD:033) (PQ)

Explain possible advancement patterns for jobs (PD:034) (PQ)

Identify skills needed to enhance career progression (PD:035) (SP)

Utilize resources that can contribute to professional development (e.g., trade journals/periodicals, professional/trade associations, classes/seminars, trade shows, and mentors) (PD:036) (SP)

## **Instructional Area: Strategic Management (SM)**

**Standard: Understands tools, techniques, and systems that affect a business's ability to plan, control, and organize an organization/department**

**Performance Element: Recognize management's role to understand its contribution to business success.**

**Performance Indicators:**

Explain the concept of management (SM:001) (CS)

Explain factors that affect management (SM:100) (SP)

Explain the nature of managerial ethics (SM:002) (MN)

Discuss the nature of balanced scorecards (SM:078) (MN)

**Performance Element: Utilize planning tools to guide organization's/department's activities.**

**Performance Indicators:**

Explain the nature of business plans (SM:007) (MN)

Develop company goals/objectives (SM:008) (ON)

Define business mission (SM:009) (ON)

Conduct an organizational SWOT (SM:010) (ON)

Explain external planning considerations (SM:011) (MN)

Identify and benchmark key performance indicators (e.g., dashboards, scorecards) (SM:027) (MN)

Develop action plans (SM:012) (ON)

Develop business plan (SM:013) (ON)

**Performance Element: Control an organization's/department's activities to encourage growth and development.**

**Performance Indicators:**

Select and apply metrics for measuring organizational success (SM:074) (MN)

Analyze operating results in relation to budget/industry (SM:005) (MN)

Track performance of business plan (SM:006) (MN)

Determine alternative actions to take when goals are not being met (SM:043) (MN)

Evaluate opportunities for potential company changes (SM:044) (MN)

**Performance Element: Identify potential business threats and opportunities to protect a business's financial well-being.**

**Performance Indicators:**

Explain the nature of risk management (SM:075) (SP)

Conduct a risk assessment of an event (SM:076) (SP)

Identify speculative business risks (SM:077) (MN)

## Instructional Area: Business Law (BL)

**Standard:** Understands business's responsibility to know, abide by, and enforce laws and regulations that affect business operations and transactions

**Performance Element:** Understand government regulations pertaining to the finance industry to protect the company wellbeing.

**Performance Indicators:**

Discuss legal considerations in the finance industry (BL:133) (SP)

Discuss the effect of tax laws and regulations on financial transactions (BL:134) (SP)

**Performance Element:** Acquire a foundational knowledge of compliance to understand its nature and scope.

**Performance Indicators:**

Discuss the nature and scope of compliance in the finance industry (BL:148) (SP)

Describe the use of technology in compliance (BL:149) (SP)

**Performance Element:** Develop a compliance program to protect the company wellbeing.

**Performance Indicators:**

Develop policies/procedures to comply with regulatory requirements and self-regulatory guidelines (BL:150) (MN)

## Instructional Area: Customer Relations (CR)

**Standard:** Understands the techniques and strategies used to foster positive, ongoing relationships with customers

**Performance Element:** Understand characteristics, motivations, and behaviors of clients in finance to facilitate client interaction.

**Performance Indicators:**

Explain the responsibilities of finance professionals in providing client services (CR:012) (CS)

**Performance Element:** Utilize technology to facilitate customer relationship management.

**Performance Indicators:**

Use Customer Relationship Management (CRM) technology (CR:024) (SP)

## Instructional Area: Financial Analysis (FI)

**Standard: Understands tools, strategies, and systems used to maintain, monitor, control, and plan the use of financial resources**

**Performance Element: Understand financial markets to recognize their importance in business.**

**Performance Indicators:**

Describe the role of financial institutions (FI:336) (CS)

Explain types of financial markets (e.g., money market, capital market, insurance market, commodities markets, etc.) (FI:337) (SP)

Discuss the nature of convergence/consolidation in the finance industry (FI:573) (SP)

Describe the relationship between economic conditions and financial markets (FI:574) (SP)

Explain the nature and scope of financial globalization (FI:575) (SP)

**Performance Element: Utilize sources of securities information to make informed financial decisions.**

**Performance Indicators:**

Describe sources of securities information (FI:274) (CS)

Interpret securities table (FI:275) (SP)

Explain the nature of statements of changes in equity (FI:630) (SP)

**Performance Element: Manage financial resources to ensure solvency.**

**Performance Indicators:**

Calculate the time value of money (FI:238) (SP)

Describe types of financial statement analysis (e.g., ratio analysis, trend analysis, etc.) (FI:334) (MN)

Discuss limitations of using financial statements to assess business performance (FI:655) (MN)

Spot problems in/issues with financial statements (FI:335) (MN)

**Performance Element: Explore the fundamentals of valuation to make appropriate financial decisions for the company.**

**Performance Indicators:**

Explain valuation models used in finance (FI:656) (MN)

**Performance Element: Use debt and equity capital to raise funds for business growth.**

**Performance Indicators:**

Describe the financial needs of a business at different stages of its development (FI:339) (MN)

Discuss factors to consider in choosing between debt and equity capital (FI:340) (MN)

Explain the significance of a firm's capital structure (FI:341) (MN)

**Performance Element: Understand the fundamentals of managerial accounting to aid in financial decision-making.**

**Performance Indicators:**

Describe types of costs used in managerial accounting (e.g., direct cost, indirect cost, sunk cost, differential cost, etc.) (FI:658) (SP)

Describe marginal analysis techniques and applications (FI:659) (SP)

Explain the nature of managerial accounting (FI:660) (SP)

Discuss the use of variance analysis in managerial accounting (FI:661) (SP)

Discuss the nature of cost accounting budgets (FI:662) (SP)

Discuss the nature of cost allocation (FI:663) (SP)

## **Instructional Area: Information Management (NF)**

**Standard: Understands tools, strategies, and systems needed to access, process, maintain, evaluate, and disseminate information to assist business decision-making**

**Performance Element: Utilize information-technology tools to manage and perform work responsibilities.**

**Performance Indicators:**

Demonstrate advanced database applications (NF:124) (SP)

## **Instructional Area: Professional Development (PD)**

**Standard: Understands concepts, tools, and strategies used to explore, obtain, and develop in a business career**

**Performance Element: Participate in career planning to enhance job-success potential.**

**Performance Indicators:**

Discuss employment opportunities in the finance industry (PD:152) (CS)

**Performance Element: Utilize career-advancement activities to enhance professional development.**

**Performance Indicators:**

Discuss opportunities for building professional relationships in finance (PD:153) (SP)

**Performance Element: Acquire knowledge of corporate governance to be aware of the restraints imposed upon finance functions.**

**Performance Indicators:**

Discuss the importance of corporate governance in business (PD:213) (CS)

Ascertain employee's role in achieving governance objectives (PD:301) (CS)

Identify the factors that impact governance structures (PD:302) (SP)

Describe the components of a well-governed company (e.g., board of directors, reporting, transparency, internal and external audit functions) (PD:214) (SP)

Describe the impact of governance processes on decision-making and management functions (PD:303) (SP)

## **Instructional Area: Financial-Information Management (FM)**

**Standard: Understands tools, strategies, and systems needed to access, process, maintain, evaluate, and disseminate financial information to assist business decision-making**

**Performance Element: Acquire foundational knowledge of financial-information management to understand its scope and nature.**

**Performance Indicators:**

Explain the nature and scope of the financial-information management function (FM:002) (SP)

Explain the role of ethics in financial-information management (FM:003) (SP)

**Performance Element: Utilize financial information technology tools to manage financial information and perform work responsibilities.**

**Performance Indicators:**

Describe the use of technology in the financial-information management function (FM:011) (SP)

Demonstrate budgeting applications (FM:013) (SP)

Demonstrate financial analysis applications (FM:014) (SP)

**Performance Element: Acquire foundational knowledge of financial information analysis to aid in financial decision-making.**

**Performance Indicators:**

Describe techniques used to analyze customer financial information (FM:009) (SP)

Discuss non-traditional uses for financial information (e.g., lean, sustainability reporting, activity-based costing [ABC], six sigma) (FM:016) (SP)

## Instructional Area: Risk Management (RM)

**Standard:** Understands risk-management strategies and techniques used to minimize business loss

**Performance Element:** Acquire a foundational understanding of risk management to demonstrate knowledge of its nature and scope.

**Performance Indicators:**

Explain the role of ethics in risk management (RM:041) (SP)

Describe the use of technology in risk management (RM:042) (SP)

Discuss legal considerations affecting risk management (RM:043) (SP)

**Performance Element:** Explore risk control to understand its relationship to risk management.

**Performance Indicators:**

Discuss the nature of risk control (i.e., internal and external) (RM:058) (SP)

Describe the importance of auditing risk control (RM:060) (MN)

Discuss risk control systems (RM:061) (MN)

**Performance Element:** Manage risk to protect a business's well-being.

**Performance Indicators:**

Discuss the nature of enterprise risk management (ERM) (RM:062) (SP)

Discuss the relationship between risk and business objectives (RM:044) (MN)

Identify business risks (RM:056) (MN)

Explain ways to assess risk (RM:059) (MN)

Develop a risk management program (RM:045) (MN)

Evaluate a risk management program (RM:046) (MN)

## Instructional Area: Business Law (BL)

**Standard:** Understands business's responsibility to know, abide by, and enforce laws and regulations that affect business operations and transactions

**Performance Element:** Implement compliance measures in accounting to adhere to regulatory requirements.

**Performance Indicators:**

Explain financial disclosure regulations and policies (BL:153) (SP)

Comply with financial reporting and internal control regulations in accounting (BL:088) (SP)

Discuss state regulation of the accounting industry (BL:090) (SP)

Comply with state regulations (BL:154) (SP)

## Instructional Area: Financial Analysis (FI)

**Standard:** Understands tools, strategies, and systems used to maintain, monitor, control, and plan the use of financial resources

**Performance Element:** Classify, record, and summarize data to produce needed financial information.

**Performance Indicators:**

Discuss the nature of the accounting cycle (FI:342) (CS)

Distinguish among types of business transactions (FI:673) (CS)

Distinguish among types of business documentation (FI:674) (CS)

Demonstrate the effects of transactions on the accounting equation (FI:378) (CS)

Prepare a chart of accounts (FI:379) (CS)

Explain the nature of special journals (FI:407) (CS)

Journalize business transactions (FI:381) (CS)

Post journal entries to general ledger accounts (FI:382) (CS)

Prepare a trial balance (FI:383) (CS)

Journalize and post adjusting entries (FI:384) (CS)

Journalize and post closing entries (FI:385) (CS)

Prepare a post-closing trial balance (FI:386) (CS)

Identify and correct accounting errors (FI:675) (SP)

Prepare worksheets (FI:387) (SP)

**Performance Element: Maintain cash controls to track cash flow.****Performance Indicators:**

Explain cash control procedures (e.g., signature cards, deposit slips, internal/external controls, cash clearing, etc.) (FI:113) (CS)

Reconcile cash (FI:396) (CS)

Account for petty cash (FI:676) (CS)

Account for cash receipts (e.g., record cash, record income) (FI:677) (CS)

Account for cash payments (e.g., record cash, record expenses) (FI:678) (CS)

**Performance Element: Perform accounts payable functions to record, control, and disburse payments to vendors.****Performance Indicators:**

Explain the nature of accounts payable (FI:409) (CS)

Account for purchases (e.g., purchase requisitions, purchase orders, invoices, vouchers) (FI:679) (CS)

Process accounts payable (e.g., maintain vendor file, post to ledger, process invoices and checks) (FI:680) (SP)

Manage accounts payable (FI:681) (MN)

**Performance Element: Perform accounts receivable functions to record, control, and collect payments due from the sale of goods and services.****Performance Indicators:**

Explain the nature of accounts receivable (FI:424) (CS)

Account for sales (e.g., invoices, sales receipts, etc.) (FI:682) (CS)

Process accounts receivable (e.g., post to ledger, process payment, process uncollectible account, etc.) (FI:683) (SP)

Manage accounts receivable (FI:684) (MN)

**Performance Element: Maintain inventory records to track the location, quantity, and value of goods and services.****Performance Indicators:**

Record inventory transactions (FI:432) (CS)

Process inventory adjustments (e.g., shrinkage, obsolescence, returns, etc.) (FI:435) (CS)

Explain methods used to value inventory (e.g., FIFO, LIFO, average cost, etc.) (FI:586) (CS)

Determine the cost/value of inventory (FI:436) (SP)

**Performance Element: Complete payroll procedures to calculate, record, and distribute payroll.****Performance Indicators:**

Explain the nature of payroll expenses (e.g., Social Security tax, Medicare tax, FUTA, SUTA, workers' compensation) (FI:638) (CS)

Maintain employee earnings records (e.g., timecards, time sheets, etc.) (FI:134) (CS)

Calculate employee earnings (FI:438) (SP)

Calculate employee deductions (FI:439) (SP)

Calculate payroll taxes (FI:442) (SP)

Account for payroll transactions (e.g., earnings, taxes, benefits, other deductions) (FI:686) (SP)

Process payroll payments and remittances (e.g., employees, benefits, taxes) (FI:687) (SP)

Prepare federal, state, and local payroll tax returns and reports (FI:443) (SP)

Manage staff payroll (FI:688) (MN)

**Performance Element: Perform specialized accounting procedures to track cash flow.****Performance Indicators:**

Discuss the nature of long-term assets (e.g., tangible assets, intangible assets, natural resources, etc.) (FI:642) (SP)

Describe the methods used to value long-term assets (e.g., tangible assets, intangible assets, natural resources, etc.) (FI:690) (SP)

Account for long-term assets (e.g., record acquisition, record depreciation/amortization, record disposal) (FI:691) (SP)

Account for long-term liabilities (e.g., bonds payable, notes payable, leases, etc.) (FI:692) (SP)

Account for provisions (e.g., restructurings, warranties, customer refunds, etc.) (FI:693) (SP)

Develop an estimate for provisions (FI:694) (MN)

**Performance Element: Calculate business ratios to evaluate company performance.****Performance Indicators:**

Determine business liquidity (FI:551) (MN)

Calculate activity/efficiency ratios (FI:552) (MN)

Calculate debt/leverage ratios (FI:553) (MN)

Calculate financial risk ratios (FI:695) (MN)

Calculate business profitability (FI:554) (MN)

Calculate market ratios (FI:555) (MN)

Discuss the use of benchmarks when analyzing ratios (FI:556) (MN)

Describe bankruptcy prediction models (FI:557) (MN)

Apply bankruptcy prediction models (FI:395) (MN)

**Performance Element: Perform tax accounting functions to lessen clients' tax burdens.**

**Performance Indicators:**

- Explain record keeping procedures for tax accounting (FI:484) (SP)
- Calculate taxes owed by clients (i.e., individual and business) (FI:696) (SP)
- Account for taxes (FI:697) (SP)
- Prepare tax returns for clients (i.e., individuals and business) (FI:698) (SP)
- Identify tax issues for clients (FI:485) (SP)
- Recommend tax strategies based on clients' financial goals (FI:487) (MN)
- Analyze business tax returns (FI:699) (MN)

**Performance Element: Perform accounting functions specific to a partnership to classify, record, and summarize business data.**

**Performance Indicators:**

- Analyze a partnership agreement (FI:463) (MN)
- Account for partnership capital investments and withdrawals (FI:700) (MN)
- Allocate profits and losses to the partners (FI:464) (MN)
- Account for significant partnership changes (e.g., admission of new partner, withdrawal of partner, etc.) (FI:701) (MN)
- Prepare partnership financial schedules (e.g., K-1) (FI:702) (MN)

**Performance Element: Perform accounting functions specific to a corporation to classify, record, and summarize corporate data.**

**Performance Indicators:**

- Analyze the articles of incorporation needed to start a corporation (FI:472) (MN)
- Explain methods to account for the issuance of equity (FI:471) (MN)
- Account for the issuance of equity (FI:703) (MN)
- Compute common stock outstanding after stock transaction occurs (e.g., stock buybacks, preferred stock conversions, stock option exercises, stock dividends, stock splits, etc.) (FI:473) (MN)
- Compute dividends payable on stock (FI:474) (MN)
- Account for equity transactions (e.g., cash dividend, stock dividend, treasury stock, etc.) (FI:704) (MN)
- Calculate earnings-per-share (FI:705) (MN)

**Performance Element: Understand the fundamentals of managerial accounting to aid in financial decision-making.**

**Performance Indicators:**

Differentiate among management accounting responsibility centers (i.e., cost, profit, investment, revenue) (FI:717) (SP)

Discuss the use of cost-volume-profit analysis (FI:718) (SP)

Discuss cost accounting systems (e.g., job costing, process costing, standard costing, activity-based costing [ABC]) (FI:719) (SP)

Distinguish between variable costing and absorption costing (FI:720) (SP)

Describe common management accounting performance measures (e.g., balanced scorecard, return on investment [ROI], customer profitability analysis, etc.) (FI:721) (SP)

Discuss the role of standard costing in the preparation and analysis of budgets (FI:722) (SP)

Describe the nature of flexible budgets (FI:723) (SP)

Explain the role of transfer pricing in managerial accounting (FI:724) (SP)

Explain the impact of business operational practices (e.g., total quality management [TQM], lean production, just-in-time [JIT], etc.) on managerial accounting (FI:725) (SP)

**Performance Element: Produce financial reports to communicate the results of business activity.**

**Performance Indicators:**

Discuss the nature of annual reports (FI:388) (SP)

Analyze transactions and accounts (e.g., purchase, sales, sales returns and allowances, uncollectible accounts, depreciation, debt) (FI:449) (SP)

Prepare income statements (FI:149) (MN)

Prepare statements of changes to equity (FI:392) (MN)

Prepare balance sheets (FI:393) (MN)

Prepare notes to financial statements (FI:709) (MN)

Prepare management discussion and analysis (FI:710) (MN)

Discuss the nature of consolidated financial statements (FI:470) (MN)

Explain the consolidation elimination process (FI:711) (MN)

Complete a worksheet for a corporation (FI:476) (MN)

Prepare consolidated financial statements (FI:712) (MN)

**Performance Element: Implement suitable internal accounting controls to ensure the proper recording of financial transactions.**

**Performance Indicators:**

Explain the purpose of internal accounting controls (FI:343) (SP)

Assess financial accounting fraud risk (FI:706) (SP)

Determine the components of internal accounting control procedures for a business (FI:479) (SP)

Maintain internal accounting controls (FI:480) (SP)

Assess the effectiveness of internal accounting controls (FI:707) (MN)

Develop internal accounting control procedures (FI:708) (MN)

**Performance Element: Conduct an audit to verify the integrity of a business's financial reporting process, accounting functions, and internal controls.**

**Performance Indicators:**

Explain the nature of audits and assurance engagements (FI:344) (SP)

Distinguish between internal and external audits (FI:713) (SP)

Describe auditing techniques/procedures (FI:714) (SP)

Conduct audit engagements (FI:482) (SP)

Discuss the requirements to consider fraud in financial statement audits (FI:481) (MN)

Plan audit engagements (FI:715) (MN)

Review audit evidence (FI:716) (MN)

Prepare auditing reports (FI:483) (MN)

**Performance Element: Utilize managerial accounting methods to track, record, and analyze business costs.**

**Performance Indicators:**

Maintain job order cost sheets (FI:450) (SP)

Calculate the cost of goods sold (FI:451) (SP)

Apply cost accounting techniques (e.g., job costing, process costing, standard costing, activity-based costing [ABC]) (FI:726) (SP)

Perform cost allocation functions (FI:458) (MN)

Prepare cost of production reports (FI:459) (MN)

Develop costs per unit of product (FI:455) (MN)

Calculate variances (FI:456) (MN)

Conduct variance analysis (FI:457) (MN)

Conduct marginal analysis (FI:588) (MN)

Conduct cost-volume-profit analysis (FI:454) (MN)

Determine relevant cost and revenue data for decision-making purposes (FI:462) (MN)

Calculate relevant costs for decision making (e.g., opportunity costs, out-of-pocket costs) (FI:727) (MN)

**Performance Element: Prepare budget reports to make business decisions.**

**Performance Indicators:**

Explain types of budgeting systems (e.g., top-down, bottom-up, incremental, etc.) (FI:728) (SP)

Project future revenues and expenses (FI:394) (SP)

Process preliminary budget detail (FI:460) (SP)

Prepare budget statements (e.g., overhead, production, operating, capital expenditure, cash) (FI:461) (MN)

Produce budgeted financial statements (e.g., income statement, balance sheet, cash flows) (FI:685) (MN)

Measure cost-effectiveness of expenditures (FI:689) (MN)

## Instructional Area: Information Management (NF)

**Standard: Understands tools, strategies, and systems needed to access, process, maintain, evaluate, and disseminate information to assist business decision-making**

**Performance Element: Utilize technology to record and analyze accounting transactions.**

**Performance Indicators:**

Use accounting applications and systems (NF:225) (CS)

Describe the nature of Extensible Business Reporting Language (XBRL) (NF:226) (SP)

Integrate technology into accounting (NF:133) (SP)

Preserve automated accounting records (NF:227) (SP)

**Performance Element: Apply statistical data analysis methods to aid in business data interpretation.**

**Performance Indicators:**

Select confidence levels (NF:228) (SP)

Test data for definitive relationships (NF:229) (SP)

Test data for definitive associations (NF:230) (SP)

Test data for meaningful differences (NF:231) (SP)

Use statistical data inferences to draw preliminary conclusions (NF:232) (SP)

Identify types of data analysis modeling techniques (NF:233) (SP)

Apply mathematical data analysis modeling techniques (NF:234) (SP)

Use data analysis software (NF:235) (SP)

**Performance Element: Interpret research data into information for business decision-making.**

**Performance Indicators:**

Explain the use of descriptive statistics in business decision making (NF:236) (SP)

Interpret descriptive statistics for business decision making (NF:237) (SP)

Interpret business data correlations (NF:238) (SP)

Draw conclusions on the research question/issue (NF:239) (SP)

## Instructional Area: Operations (OP)

**Standard: Understands the processes and systems implemented to monitor, plan, and control the day-to-day activities required for continued business functioning**

**Performance Element: Develop an understanding of business analysis to improve business functions and activities.**

**Performance Indicators:**

Discuss the connection between business analysis and business process management (OP:328) (SP)

Explain types of requirements (e.g., business, system, functional, nonfunctional) (OP:329) (SP)

**Performance Element: Analyze business processes to improve business performance.**

**Performance Indicators:**

Document business processes (OP:457) (SP)

Identify the business process problem/issue (OP:458) (SP)

Define data needs and limitations (e.g., data fields, constraints, assumptions, variations expectations) (OP:459) (SP)

Identify data acquisition strategies (OP:460) (SP)

Analyze business processes (e.g., measure efficiency, benchmark metrics) (OP:461) (SP)

Recommend improvements to business processes (OP:462) (SP)

## **Instructional Area: Professional Development (PD)**

**Standard: Understands concepts, tools, and strategies used to explore, obtain, and develop in a business career**

**Performance Element: Understand careers in accounting to determine which role and responsibilities best match personal abilities and traits.**

**Performance Indicators:**

Identify career opportunities in accounting (PD:337) (SP)

Explain the roles and responsibilities of accounting professionals (PD:338) (SP)

**Performance Element: Explore career-advancement activities in the accounting industry to enhance professional development.**

**Performance Indicators:**

Discuss professional designations for accountants (e.g., CPA, CMA, CIA, CFE, etc.) (PD:168) (SP)

Describe the services of professional organizations in accounting (PD:339) (SP)

**Performance Element: Acquire knowledge of accounting standards to record, report, and evaluate financial data appropriately.**

**Performance Indicators:**

Explain the nature of accounting standards (PD:158) (CS)

Discuss the roles and responsibilities of accounting-standards-setting bodies (i.e., SEC, FASB, IASB, GASB) (PD:295) (SP)

Compare U.S. Generally Accepted Accounting Principles (GAAP) and International Financial Reporting Standards (IFRS) (PD:296) (SP)

Discuss the levels and types of external financial reporting (PD:340) (SP)

**Performance Element: Acquire knowledge of auditing standards to attest to the integrity of a business's finances.**

**Performance Indicators:**

Discuss the nature of auditing/attestation standards (PD:341) (SP)

## Instructional Area: Business Law (BL)

**Standard:** Understands business's responsibility to know, abide by, and enforce laws and regulations that affect business operations and transactions

**Performance Element:** Implement compliance measures in banking to adhere to regulatory requirements.

**Performance Indicators:**

Discuss e-compliance issues in banking services (BL:091) (SP)

Discuss federal regulation of lending functions (BL:092) (SP)

Discuss federal regulation of operations functions in banking services (BL:093) (SP)

Discuss the responsibilities of regulatory agencies that oversee the banking industry (BL:094) (SP)

Comply with banking regulations (BL:146) (SP)

Describe the process for implementing regulatory changes (BL:095) (MN)

Describe provisions of bankruptcy law (BL:096) (MN)

**Performance Element:** Develop a compliance program to protect the company wellbeing.

**Performance Indicators:**

Explain the elements of a compliance program (BL:130) (MN)

Discuss functional areas of a compliance audit (BL:131) (MN)

Develop a compliance program (BL:132) (MN)

Measure compliance program effectiveness (BL:147) (MN)

## Instructional Area: Customer Relations (CR)

**Standard:** Understands the techniques and strategies used to foster positive, ongoing relationships with customers

**Performance Element:** Foster positive relationships with customers to enhance company image.

**Performance Indicators:**

Discuss the importance of meeting and exceeding customer expectations (CR:015) (CS)

Recommend bank solutions to meet client needs (CR:031) (CS)

Assist a customer in the opening of an account (CR:032) (CS)

Describe the relationships that institutions providing banking services have with their communities (CR:020) (SP)

Interpret loan terms for a client (CR:033) (SP)

## Instructional Area: Financial Analysis (FI)

**Standard: Understands tools, strategies, and systems used to maintain, monitor, control, and plan the use of financial resources**

**Performance Element: Implement suitable internal accounting controls to ensure the proper recording of financial transactions.**

**Performance Indicators:**

Explain the purpose of internal accounting controls (FI:343) (SP)

Determine the components of internal accounting control procedures for a business (FI:479) (SP)

**Performance Element: Utilize financial formulas to aid in the growth and stability of banking services.**

**Performance Indicators:**

Explain key ratios/terms in banking (FI:543) (SP)

Compute key banking calculations (e.g., interest, annual percentage rate, exchange rates, etc.) (FI:544) (SP)

Explain the CAMELS rating system (i.e. Capital adequacy, Asset quality, Management administration, Earnings, Liquidity, and Sensitivity to market risk) (FI:545) (MN)

**Performance Element: Manage a profitable investment portfolio to aid in the achievement of organizational goals.**

**Performance Indicators:**

Describe the nature of bank investment portfolios (FI:608) (SP)

Explain economic and marketplace factors impacting bank portfolio quality (FI:609) (SP)

Discuss restrictions (e.g., regulatory, accounting) on a bank's investment portfolio (FI:610) (MN)

Select customers for portfolios using established criteria (FI:611) (MN)

Manage bank investment portfolios (FI:612) (MN)

Evaluate investment portfolio performance (FI:613) (MN)

Develop portfolio strategies that support the institution's business goals (FI:614) (MN)

**Performance Element: Assess company performance to enhance bank profitability.**

**Performance Indicators:**

Explain strategies that are often used to maximize bank profitability (FI:490) (MN)

Assess the profitability of individual product lines (FI:615) (MN)

Assess the adequacy of bank loan loss reserve (FI:616) (MN)

Determine optimal capital levels (FI:617) (MN)

Describe methods used to analyze bank financial performance (FI:618) (MN)

Analyze overall bank financial performance (FI:619) (MN)

**Performance Element: Conduct an internal audit to verify the integrity of a banking institution's internal controls, liabilities, assets, and operations.**

**Performance Indicators:**

Explain aspects of a banking institution's internal audit (FI:620) (MN)

Conduct an internal audit of a banking institution (FI:621) (MN)

Develop an internal audit plan for a banking institution (FI:622) (MN)

**Performance Element: Manage financial risks to protect a business's financial well-being.**

**Performance Indicators:**

Assess fraud risk associated with monetary instruments (FI:654) (MN)

## **Instructional Area: Information Management (NF)**

**Standard: Understands tools, strategies, and systems needed to access, process, maintain, evaluate, and disseminate information to assist business decision-making**

**Performance Element: Acquire fundamental knowledge of banking technology to increase workplace efficiency and effectiveness.**

**Performance Indicators:**

Discuss the impact of technology on the banking industry (NF:117) (CS)

Utilize coin and currency equipment (e.g., bill strapping machines, coin/currency counters, counterfeit detectors, etc.) (NF:201) (CS)

Fill/empty ATMs (Automatic Teller Machines) (NF:116) (CS)

Use check-processing tools/technology (e.g., endorsers, encoders, joggers, scanners, strippers, etc.) (NF:202) (CS)

Demonstrate proper use of banking security tools/technology (e.g., remote drive-up equipment, safe deposit boxes, vaults, alarm systems, etc.) (NF:203) (SP)

## Instructional Area: Operations (OP)

**Standard: Understands the processes and systems implemented to monitor, plan, and control the day-to-day activities required for continued business functioning**

**Performance Element: Acquire knowledge of bank security programs to minimize chance for loss.**

**Performance Indicators:**

Discuss procedures for the secure handling of cash (OP:217) (CS)

Discuss the secure handling of checks (OP:218) (CS)

Explain procedures for detecting and reporting counterfeit currency (OP:219) (CS)

Describe crimes to which a bank could fall victim (e.g., fraud, robbery, phishing, etc.) (OP:220) (CS)

Discuss the elements and role of a bank security program (OP:221) (SP)

Describe the nature of business continuity plans (OP:222) (MN)

**Performance Element: Perform daily banking activities to process monetary instruments.**

**Performance Indicators:**

Process damaged and/or mutilated currency and coin (OP:271) (CS)

Order and deposit currency/coin (OP:272) (CS)

Deposit checks (OP:273) (CS)

Handle differences in cash received/deposited (OP:274) (SP)

Identify requirements for transporting cash (OP:275) (SP)

Process transactions in negotiable monetary instruments (e.g., money orders, travelers checks, cashier checks, bearer bonds) (OP:446) (SP)

Discuss the role of the Federal Reserve system in banking operations (OP:276) (SP)

**Performance Element: Underwrite loan applications to determine creditworthiness of customers.**

**Performance Indicators:**

Describe the loan application generating process (OP:277) (SP)

Explain the process of credit analysis (OP:278) (SP)

Describe factors affecting loan pricing and loan structuring (OP:279) (SP)

Underwrite a loan application (OP:280) (SP)

**Performance Element: Acquire knowledge of problem loan management to protect the institution's financial wellbeing.**

**Performance Indicators:**

Discuss the nature of problem loan management (OP:283) (SP)

Handle problem loans (OP:284) (MN)

**Performance Element: Understand real estate lending to service bank loans and mortgages.**

**Performance Indicators:**

Discuss the involvement of financial institutions in the real estate industry (OP:186) (SP)

Explain approaches to real estate lending (OP:281) (SP)

Discuss the nature of the secondary mortgage market (OP:363) (SP)

Describe the functions and responsibilities of the loan servicing department (OP:282) (SP)

**Performance Element: Apply knowledge of trust activities to fulfill the fiduciary obligations of a banking institution.**

**Performance Indicators:**

Describe trust department policies and procedures (OP:364) (SP)

Discuss the administrative duties associated with trusts (OP:365) (SP)

Explain the estate planning process (OP:366) (SP)

Manage receipts and payments for a trust (OP:368) (SP)

Develop an estate plan for clients (OP:367) (MN)

Identify factors to consider prior to making discretionary distributions from a trust (OP:369) (MN)

Establish trusts for clients (OP:370) (MN)

**Performance Element: Manage operational risks to protect a business's financial well-being.**

**Performance Indicators:**

Identify the factors that contribute to operational risk (e.g., insufficient training, lack of supervision, inadequate security, poor system design, poor HR policies) (OP:447) (SP)

Discuss the nature of operational risk management (OP:448) (SP)

## **Instructional Area: Professional Development (PD)**

**Standard: Understands concepts, tools, and strategies used to explore, obtain, and develop in a business career**

**Performance Element: Understand careers in banking services to determine which role and responsibilities best match personal abilities and traits.**

**Performance Indicators:**

Explain career opportunities in banking services (PD:285) (SP)

**Performance Element: Explore career-advancement activities in banking services to enhance professional development.**

**Performance Indicators:**

Discuss professional designations for banking professionals (PD:286) (SP)

Describe the services of professional organizations in banking services (PD:287) (SP)

**Performance Element: Acquire knowledge of banking processes and services to facilitate workplace activities.**

**Performance Indicators:**

Describe the nature of retail/business banking processes (PD:204) (CS)

Describe types of personal banking products and services (PD:154) (CS)

Describe types of banking products and services provided exclusively to businesses (PD:423) (CS)

Describe basic teller performance standards (PD:207) (CS)

Describe the importance of selling in the banking industry (PD:298) (CS)

Discuss the nature of loan products (PD:155) (SP)

Describe trust services available to customers (PD:208) (SP)

Describe international services available to customers (PD:299) (SP)

Cross-sell banking products and services (PD:300) (SP)

**Performance Element: Acquire knowledge of the banking industry to understand the environment in which its services are offered.**

**Performance Indicators:**

Discuss ethical issues in the banking industry (PD:192) (SP)

Explain the evolution of commercial banking (PD:191) (SP)

Discuss the fiduciary role of banks (PD:193) (MN)

Describe bank policies that pertain to fiduciary activities (PD:194) (MN)

**Performance Element: Understand types of banking institutions to be aware of their roles in providing banking services.**

**Performance Indicators:**

Describe types of banking institutions (e.g., central banks, retail banks, universal banks, etc.) (PD:288) (SP)

Describe the nature of the national banking system (PD:195) (SP)

Discuss the role of credit unions (PD:200) (SP)

Explain the role of savings and loan associations (PD:201) (SP)

Discuss the nature and scope of investment banking (PD:198) (MN)

Discuss the role of the World Bank Group in international financial assistance (PD:202) (MN)

Explain the nature of government agencies that provide financing to businesses (e.g., Export-Import Bank of the United States, Small Business Administration, etc.) (PD:203) (MN)

## Instructional Area: Risk Management (RM)

**Standard: Understands risk-management strategies and techniques used to minimize business loss**

**Performance Element: Manage risk to protect a business's well-being.**

**Performance Indicators:**

Discuss the nature of global risk (RM:065) (SP)

Monitor third-party relationships for potential risk (RM:066) (SP)

Discuss the nature of credit risk management (RM:064) (MN)

Discuss reasons to integrate risk management into business operations (RM:055) (MN)

Assess enterprise risk (RM:067) (MN)

Integrate risk management into business operations (RM:057) (MN)

Coordinate contingency planning (RM:068) (MN)

Evaluate contingency planning (RM:069) (MN)

**Performance Element: Use risk management techniques to minimize the chance of bank failure.**

**Performance Indicators:**

Explain the nature of interest rate risk (RM:050) (MN)

Measure interest rate risk (RM:070) (MN)

Manage interest rate risk (RM:051) (MN)

Describe factors impacting liquidity risk (RM:071) (MN)

Evaluate liquidity risk (RM:072) (MN)

Manage liquidity risk (RM:073) (MN)

## Instructional Area: Business Law (BL)

**Standard:** Understands business's responsibility to know, abide by, and enforce laws and regulations that affect business operations and transactions

**Performance Element:** Implement compliance measures in corporate finance to adhere to regulatory requirements.

**Performance Indicators:**

Comply with financial reporting and internal control laws and regulations in corporate finance (BL:155) (SP)

Comply with regulations and laws governing ownership change transactions (BL:099) (MN)

Comply with U.S. Securities and Exchange Commission Division of Corporation Finance requirements (BL:100) (MN)

## Instructional Area: Emotional Intelligence (EI)

**Standard:** Understands techniques, strategies, and systems used to foster self-understanding and enhance relationships with others

**Performance Element:** Manage internal and external business relationships to foster positive interactions.

**Performance Indicators:**

Explain the impact of business customs and practices on global trade (EI:082) (SP)

Describe the nature of business customs and practices in the North American market (EI:083) (SP)

Explain the nature of business customs and practices in Western Europe (EI:084) (SP)

Explain the nature of business customs and practices in Eastern Europe (EI:117) (SP)

Explain the nature of business customs and practices in Latin America (EI:085) (SP)

Describe the nature of business customs and practices in the Pacific Rim (EI:086) (SP)

Discuss the nature of business customs and practices in the Middle East (EI:087) (SP)

Explain the nature of business customs and practices in South Asia (EI:118) (SP)

Describe the nature of business customs and practices in Northern Africa (EI:119) (SP)

Discuss the nature of business customs and practices in Sub-Saharan Africa (EI:120) (SP)

## Instructional Area: Financial Analysis (FI)

**Standard: Understands tools, strategies, and systems used to maintain, monitor, control, and plan the use of financial resources**

**Performance Element: Understand fundamental financial concepts to appropriately manage business finances.**

**Performance Indicators:**

- Discuss the nature of depreciation (FI:345) (SP)
- Describe the nature of cash flows (FI:359) (SP)
- Discuss the nature of corporate bonds (FI:523) (SP)
- Discuss the cost of corporate bonds (FI:524) (SP)
- Discuss the issuance of stock from a corporation (FI:526) (SP)
- Discuss the cost of common stock (FI:528) (SP)
- Discuss the nature of stock options (FI:729) (SP)
- Discuss the nature of Initial Public Offerings (FI:730) (SP)

**Performance Element: Calculate business ratios to evaluate company performance.**

**Performance Indicators:**

- Determine business liquidity (FI:551) (MN)
- Calculate activity/efficiency ratios (FI:552) (MN)
- Calculate debt/leverage ratios (FI:553) (MN)
- Calculate business profitability (FI:554) (MN)
- Calculate market ratios (FI:555) (MN)
- Discuss the use of benchmarks when analyzing ratios (FI:556) (MN)
- Describe bankruptcy prediction models (FI:557) (MN)
- Establish expectations for key performance indicators (FI:731) (MN)
- Calculate internal performance measures (e.g., product-line profitability, business unit profitability, return on investments) (FI:732) (MN)

**Performance Element: Manage payment and collection systems to efficiently use cash.**

**Performance Indicators:**

- Describe components of a payment system (FI:733) (SP)
- Describe components of a collection system (FI:734) (SP)
- Manage bank accounts (e.g., scope of services, fee structures, system integration) (FI:735) (SP)
- Manage banking relationships (FI:736) (MN)
- Design payment system structure (FI:737) (MN)
- Design collection system structure (FI:738) (MN)

**Performance Element: Use short-term financial management to manage current assets and liabilities.**

**Performance Indicators:**

Describe the nature of short-term financial management (FI:513) (SP)

Describe cash management procedures (FI:739) (SP)

Explain the use of cash budgets (FI:505) (SP)

Analyze the impact of accounts payable schedules on working capital (FI:633) (SP)

Analyze the impact of accounts receivable collection on working capital cycle (FI:637) (SP)

Discuss the impact of employee benefits on business financials (FI:639) (SP)

Discuss the impact of obsolescence on business expense (FI:641) (SP)

Prepare cash flow budgets/forecasts (FI:507) (SP)

Analyze cash budget/forecast variances (FI:508) (SP)

Evaluate leases (FI:740) (SP)

Analyze cash-flow patterns (FI:100) (MN)

**Performance Element: Apply strategies to improve liquidity**

**Performance Indicators:**

Develop policies to manage trade credit (FI:741) (SP)

Establish strategies to improve working capital (e.g., receivables management, payables management, inventory management) (FI:742) (MN)

Manage cash flow (FI:225) (MN)

Develop domestic tax strategies (FI:743) (MN)

**Performance Element: Apply knowledge of capital markets to make suitable financial decisions.**

**Performance Indicators:**

Explain the role of capital markets in business finance (FI:360) (SP)

Calculate stock-related values (e.g., the value of a constant growth stock, the expected value of future dividends, the expected rate of return, etc.) (FI:367) (SP)

Calculate bond-related values (e.g., the price of a bond given its yield to maturity, the coupon interest payment for a bond, the effects of interest rates on the price of a bond, etc.) (FI:236) (SP)

Determine the impact of business decisions on capital market prices (FI:744) (MN)

**Performance Element: Explore capital budgeting to understand the capital expenditure decision-making process.**

**Performance Indicators:**

Discuss the capital budgeting process (FI:491) (MN)

**Performance Element: Analyze finances to assist in capital budgeting decision-making.****Performance Indicators:**

Explain the nature of capital investment (FI:078) (SP)

Explain methods used to analyze capital investments (e.g., payback period, discounted break-even, net present value, accounting rate of return, internal rate of return, etc.) (FI:745) (SP)

Explain the impact of the cost of capital on capital investments (FI:746) (SP)

Calculate the cost of capital and its components (e.g., debt, equity) (FI:747) (SP)

Calculate cash flows associated with an investment (e.g., initial investment, operating cash inflows, operating cash outflows, terminal flows) (FI:492) (SP)

Use the time value of money to make business decisions (e.g., projects, investments, etc.) (FI:646) (SP)

Calculate capital investment return (e.g., payback, net present value, internal rate of return) (FI:748) (SP)

Prepare capital expenditure budget (FI:749) (MN)

**Performance Element: Analyze proposed business projects to select acceptable project that enhances firm value****Performance Indicators:**

Identify project benefits and costs (FI:750) (SP)

Establish parameters for project prioritization (FI:751) (MN)

Prepare project funding recommendation (FI:752) (MN)

**Performance Element: Manage capital investments to realize expected benefits.****Performance Indicators:**

Monitor project portfolio (FI:753) (SP)

Calculate return on investment (ROI) (FI:647) (MN)

Conduct post-investment audit (FI:754) (MN)

Manage project portfolio performance (FI:755) (MN)

**Performance Element: Utilize capital market securities to secure financing for a company.****Performance Indicators:**

Determine the cost of corporate bonds (FI:525) (MN)

Calculate the cost of preferred stock (FI:527) (MN)

Calculate the cost of common stock (FI:529) (MN)

Discuss ways to determine the best financing option for a company (FI:521) (MN)

Determine financing options for a company (FI:522) (MN)

**Performance Element: Use long-term financial management to ensure solvency.**

**Performance Indicators:**

Manage loans (FI:756) (SP)

Manage investment portfolio (FI:757) (SP)

Manage pension investment portfolio (FI:758) (SP)

Discuss factors influencing the short-term/long-term finance mix for an organization (FI:759) (MN)

Develop debt management strategy (FI:760) (MN)

Develop investment management strategy (FI:761) (MN)

**Performance Element: Apply fundamental knowledge of dividends to assist in the distribution of dividends.**

**Performance Indicators:**

Explain forms of dividends (FI:346) (SP)

Explain the nature of dividend reinvestment plans (DRIPs) (FI:530) (SP)

Describe the effect of a firm's dividend decisions on its external financing requirements (FI:531) (MN)

Discuss the residual theory of dividends (FI:532) (MN)

Describe the impact of dividends on the value of the firm (FI:533) (MN)

Explain the nature of a dividend policy (FI:534) (MN)

Discuss factors to consider when deciding on the form of dividend distribution (FI:535) (MN)

Prepare capital plan (FI:762) (MN)

**Performance Element: Apply strategies to manage international cash flow needs.**

**Performance Indicators:**

Explain the nature of international corporate finance (e.g., managing transaction exposure, financing international trade, etc.) (FI:763) (MN)

Discuss international liquidity issues (FI:764) (MN)

Manage international cash flows (FI:765) (MN)

Manage international working capital levels (FI:766) (MN)

Develop international tax strategies (FI:767) (MN)

**Performance Element: Understand financial planning in business finance to strive for business goals.**

**Performance Indicators:**

Discuss the financial planning process (FI:502) (SP)

Discuss the nature of short-term (operating) financial plans (FI:503) (SP)

Describe the nature of long-term (strategic) financial plans (FI:504) (MN)

Describe the nature of tax planning (FI:776) (MN)

**Performance Element: Understand the fundamentals of managerial accounting to aid in financial decision-making.**

**Performance Indicators:**

Differentiate among management accounting responsibility centers (i.e., cost, profit, investment, revenue) (FI:717) (SP)

Discuss the use of cost-volume-profit analysis (FI:718) (SP)

Discuss cost accounting systems (e.g., job costing, process costing, standard costing, activity-based costing [ABC]) (FI:719) (SP)

Distinguish between variable costing and absorption costing (FI:720) (SP)

Describe common management accounting performance measures (e.g., balanced scorecard, return on investment [ROI], customer profitability analysis, etc.) (FI:721) (SP)

Discuss the role of standard costing in the preparation and analysis of budgets (FI:722) (SP)

Describe the nature of flexible budgets (FI:723) (SP)

Explain the role of transfer pricing in managerial accounting (FI:724) (SP)

Explain the impact of business operational practices (e.g., total quality management [TQM], lean production, just-in-time [JIT], etc.) on managerial accounting (FI:725) (SP)

**Performance Element: Conduct profit planning to forecast business profit.**

**Performance Indicators:**

Perform budgetary cost analysis (e.g., direct cost, indirect cost, sunk cost, differential cost, etc.) (FI:768) (SP)

Perform responsibility center budgeting (i.e., cost, profit, investment, revenue) (FI:769) (SP)

Discuss the nature of pro forma statements (FI:509) (SP)

Set achievable financial goals (FI:770) (MN)

Develop a pro forma income statement (FI:510) (MN)

Prepare a pro forma balance sheet (FI:511) (MN)

Prepare a pro forma cash flow statement (FI:602) (MN)

Evaluate pro forma statements (FI:512) (MN)

Measure cost-effectiveness of aggregate expenditures (FI:771) (MN)

**Performance Element: Utilize a company's financial statements to analyze its financial situation.**

**Performance Indicators:**

Discuss the analysis of a company's financial situation using its financial statements (FI:546) (SP)

Discuss external forces affecting a company's value (FI:547) (SP)

Explain how value is created for a company (FI:548) (SP)

Analyze a company's financial situation (FI:549) (MN)

Calculate business value (FI:584) (MN)

**Performance Element: Produce financial reports to communicate the results of business activity.**

**Performance Indicators:**

Analyze transactions and accounts (e.g., purchase, sales, sales returns and allowances, uncollectible accounts, depreciation, debt) (FI:449) (SP)

**Performance Element: Analyze ownership change transactions to aid in corporate growth and development.**

**Performance Indicators:**

Compare mergers and acquisitions (FI:347) (SP)

Explain the nature of hostile takeovers (FI:536) (SP)

Explain divestiture concepts (e.g., spin-offs, split-ups, etc.) (FI:772) (SP)

Discuss issues that arise from mergers and acquisitions (FI:537) (MN)

Explain methods for evaluating potential merger/acquisition targets (FI:538) (MN)

Evaluate potential merger/acquisition targets (FI:539) (MN)

Describe the nature of corporate bankruptcy (FI:773) (MN)

Discuss the nature of restructurings (FI:540) (MN)

Determine the cost/benefit of restructuring (FI:774) (MN)

**Performance Element: Implement suitable internal accounting controls to ensure the proper recording of financial transactions.**

**Performance Indicators:**

Explain the purpose of internal accounting controls (FI:343) (SP)

Maintain internal accounting controls (FI:480) (SP)

Manage the risk of errors and fraud (e.g., dual authorizations, automation, ACH adoption) (FI:775) (MN)

Assess the effectiveness of internal accounting controls (FI:707) (MN)

Develop internal accounting control procedures (FI:708) (MN)

## **Instructional Area: Information Management (NF)**

**Standard: Understands tools, strategies, and systems needed to access, process, maintain, evaluate, and disseminate information to assist business decision-making**

**Performance Element: Utilize technology to perform business finance functions.**

**Performance Indicators:**

Describe manual and computerized treasury systems (NF:240) (CS)

Describe the nature of Extensible Business Reporting Language (XBRL) (NF:241) (SP)

Use treasury systems (e.g., cash management, budgeting, forecasting) (NF:242) (SP)

## Instructional Area: Professional Development (PD)

**Standard:** Understands concepts, tools, and strategies used to explore, obtain, and develop in a business career

**Performance Element:** Understand careers in business finance to determine which role and responsibilities best match personal abilities and traits.

**Performance Indicators:**

Explain the role and responsibilities of financial management personnel (PD:215) (SP)

Describe the role and responsibilities of risk management personnel (PD:218) (SP)

Discuss the role and responsibilities of treasury management personnel (PD:219) (SP)

**Performance Element:** Explore licensing and certification in the field of business finance to enhance professional development.

**Performance Indicators:**

Explain professional designations in the field of business finance (e.g., CF, CFA, CCM, CTP, CFM, etc.) (PD:221) (SP)

**Performance Element:** Acquire knowledge of accounting standards to record, report, and evaluate financial data appropriately.

**Performance Indicators:**

Discuss the roles and responsibilities of accounting-standards-setting bodies (i.e., SEC, FASB, IASB, GASB) (PD:295) (SP)

Compare U.S. Generally Accepted Accounting Principles (GAAP) and International Financial Reporting Standards (IFRS) (PD:296) (SP)

## Instructional Area: Risk Management (RM)

**Standard: Understands risk-management strategies and techniques used to minimize business loss**

**Performance Element: Administer contracts to achieve organizational goals and minimize risk.**

**Performance Indicators:**

Identify financial risk factors associated with business contracts (e.g., ratio requirements, restricted transactions, financial report filing requirements) (RM:077) (SP)

Monitor for breach of contract of non-performance related terms and conditions (RM:078) (SP)

Maintain contract compliance documentation (RM:079) (SP)

Evaluate alternative revenue arrangements (e.g., cost-plus pricing, contingent fees) (RM:080) (SP)

Establish monitoring programs for contract-specific revenue arrangements (RM:081) (SP)

Develop monitoring programs for restrictive contract requirements (RM:082) (SP)

Establish processes for timely reporting of required information (RM:083) (SP)

Comply with contract termination provisions (RM:084) (MN)

Develop plan to resolve breach of contract (e.g., renegotiation of terms, settlement, litigation) (RM:085) (MN)

**Performance Element: Manage risk to protect a business's well-being.**

**Performance Indicators:**

Discuss the relationship between risk management and business finance (RM:047) (SP)

Describe types of financial risks (e.g., interest rate risk, equity risk, commodity risk, etc.) (RM:086) (SP)

Discuss the nature of risk measurement (RM:048) (SP)

Measure risk (RM:049) (MN)

Explain financial risk management techniques (e.g., derivatives, contracts, insurance, subrogation, indemnity agreements, self-insured retentions, captives, etc.) (RM:052) (MN)

Evaluate the risks of derivatives (RM:054) (MN)

Discuss reasons to integrate risk management into business operations (RM:055) (MN)

Integrate risk management into business operations (RM:057) (MN)

Manage portfolio risk (RM:087) (MN)

## Instructional Area: Business Law (BL)

**Standard:** Understands business's responsibility to know, abide by, and enforce laws and regulations that affect business operations and transactions

**Performance Element:** Implement compliance measures in the insurance industry to adhere to regulatory requirements.

**Performance Indicators:**

Discuss federal and state regulation governing the insurance industry (BL:101) (SP)

Explain federally mandated health insurance requirements and restrictions (e.g., ERISA, COBRA, HIPAA, Affordable Care Act) (BL:137) (SP)

Comply with insurance regulations (BL:152) (SP)

**Performance Element:** Understand the legal environment of insurance to interpret insurance contracts.

**Performance Indicators:**

Discuss fundamental legal principles that pertain to insurance (e.g., indemnity, insurable interest, subrogation, utmost good faith) (BL:082) (MN)

Describe the nature of insurance contracts (BL:083) (MN)

**Performance Element:** Develop a compliance program to protect the company wellbeing.

**Performance Indicators:**

Explain the elements of a compliance program (BL:130) (MN)

Discuss functional areas of a compliance audit (BL:131) (MN)

Develop a compliance program (BL:132) (MN)

Measure compliance program effectiveness (BL:147) (MN)

## Instructional Area: Information Management (NF)

**Standard:** Understands tools, strategies, and systems needed to access, process, maintain, evaluate, and disseminate information to assist business decision-making

**Performance Element:** Acquire information to process insurance claims.

**Performance Indicators:**

Conduct a database search to obtain background information on claimants and witnesses (NF:184) (SP)

Use claims analytics (NF:204) (SP)

**Performance Element: Utilize information-technology tools to underwrite an insurance policy.**

**Performance Indicators:**

Use computer smart systems to assist in the underwriting process (NF:134) (SP)

Use the Internet to determine a potential client's risk (NF:135) (SP)

## **Instructional Area: Operations (OP)**

**Standard: Understands the processes and systems implemented to monitor, plan, and control the day-to-day activities required for continued business functioning**

**Performance Element: Manage agency accounts to protect the insurance company's financial wellbeing.**

**Performance Indicators:**

Notify client in writing when policy is cancelled (OP:287) (SP)

Monitor agency accounts (OP:288) (MN)

**Performance Element: Prepare documentation to support insurance underwriting.**

**Performance Indicators:**

Explain the elements of an underwriting file (OP:452) (SP)

Interview client (OP:453) (SP)

Determine client's insurance needs (OP:454) (SP)

Process insurance documentation (OP:455) (SP)

**Performance Element: Process a claim to fulfill company's legal obligation to client.**

**Performance Indicators:**

Discuss the nature of insurance claims (OP:188) (CS)

Process an insurance claim (OP:289) (SP)

Interview claimant, witnesses, medical experts, and/or other individuals as necessary while processing the claim (OP:290) (SP)

Inspect property damage (OP:291) (SP)

Evaluate injury claims and needed medical treatment (OP:371) (SP)

Assign value to an insurance claim (OP:372) (SP)

Compile claim report (OP:292) (SP)

Negotiate with claimant (OP:293) (SP)

Settle insurance claim (OP:294) (MN)

**Performance Element: Use investigative techniques to identify insurance fraud.**

**Performance Indicators:**

Discuss the nature of insurance fraud (OP:187) (SP)

Investigate suspected insurance fraud (OP:285) (SP)

Conduct surveillance work (OP:286) (SP)

**Performance Element: Set prices for insurance products to generate company profit.**

**Performance Indicators:**

Explain the nature of pricing and rate-making in insurance (OP:373) (SP)

Set rates for insurance products (OP:374) (MN)

Revise rates as appropriate (OP:375) (MN)

## **Instructional Area: Professional Development (PD)**

**Standard: Understands concepts, tools, and strategies used to explore, obtain, and develop in a business career**

**Performance Element: Acquire knowledge of the insurance industry to obtain a foundation for employment in insurance.**

**Performance Indicators:**

Describe the nature of the insurance industry (PD:157) (CS)

Discuss the role of supervisory/regulatory bodies in the insurance industry (PD:289) (SP)

Explain ethical issues in insurance (PD:290) (SP)

Discuss the nature of errors and omissions (E&O) claims made against insurance professionals (PD:291) (SP)

Discuss trends in the insurance industry (e.g., hacker insurance, identity theft insurance, etc.) (PD:224) (SP)

Discuss the manner in which insurance companies generate income (PD:222) (SP)

Explain the use of state risk pool programs (PD:223) (SP)

Describe alternative risk transfer (ART) techniques (e.g., reinsurance, self-insurance, captives, etc.) (PD:292) (SP)

**Performance Element: Analyze careers in insurance to determine which role and responsibilities best match personal abilities and traits.**

**Performance Indicators:**

Explain career opportunities in insurance (PD:293) (SP)

**Performance Element: Explore career-advancement activities in insurance to enhance professional development.**

**Performance Indicators:**

Discuss licensing and certification in the insurance industry (PD:225) (SP)

Describe the services of professional organizations in insurance (PD:294) (SP)

**Performance Element: Acquire knowledge of insurance product and benefits to facilitate workplace activities.**

**Performance Indicators:**

Describe components of automobile insurance coverage (PD:319) (SP)

Discuss the nature of health insurance coverage (PD:320) (SP)

Discuss components of homeowners/renters insurance (PD:321) (SP)

Explain the nature of liability insurance (PD:322) (SP)

Discuss the nature of life insurance (PD:323) (SP)

Describe the nature of disability insurance (PD:324) (SP)

Discuss components of flood and earthquake insurance (PD:325) (SP)

Discuss the nature of title insurance (PD:326) (SP)

Describe components of commercial property insurance (PD:327) (SP)

Explain the nature of commercial liability insurance (PD:328) (SP)

Discuss the nature of unemployment insurance (PD:329) (SP)

Explain the nature of workers compensation insurance (PD:330) (SP)

Discuss the nature of Medicaid (PD:331) (SP)

Explain the nature of Medicare (PD:332) (SP)

Discuss the nature of long-term care insurance (PD:333) (SP)

Discuss the role of life insurance in investment, retirement, and estate planning (PD:334) (SP)

Explain the nature of annuities (PD:308) (SP)

Discuss the nature of domestic and international business insurance (PD:335) (SP)

Evaluate an existing client's insurance needs (PD:336) (SP)

## **Instructional Area: Risk Analysis (RA)**

**Standard: Understands techniques and strategies used to gather, access, and evaluate the risk posed by potential insurance clients**

**Performance Element: Analyze the risk posed by potential clients in order to make insurance approval/denial decisions.**

**Performance Indicators:**

Explain insurance underwriting techniques and processes (RA:004) (SP)

Discuss the nature of credit-based insurance scores (RA:002) (SP)

Explain the importance of actuarial science in the insurance industry (RA:001) (SP)

Underwrite an insurance policy (RA:003) (SP)

Measure underwriting results (RA:005) (MN)

## Instructional Area: Business Law (BL)

**Standard:** Understands business's responsibility to know, abide by, and enforce laws and regulations that affect business operations and transactions

**Performance Element:** Implement compliance measures in the securities and investments industry to adhere to regulatory requirements.

**Performance Indicators:**

Discuss ethical considerations in the securities and investments industry (BL:104) (SP)

Discuss laws and regulations governing the securities and investments industry (BL:105) (SP)

Comply with securities and investments regulations (BL:151) (SP)

**Performance Element:** Develop a compliance program to protect the company wellbeing.

**Performance Indicators:**

Explain the elements of a compliance program (BL:130) (MN)

Discuss functional areas of a compliance audit (BL:131) (MN)

Develop a compliance program (BL:132) (MN)

Measure compliance program effectiveness (BL:147) (MN)

## Instructional Area: Communication Skills (CO)

**Standard:** Understands the concepts, strategies, and systems used to obtain and convey ideas and information

**Performance Element:** Write internal and external business correspondence to convey and obtain information effectively.

**Performance Indicators:**

Initiate correspondence with customers regarding market activity (CO:207) (SP)

Develop communication plans based on customer preferences (CO:208) (SP)

Update the client on events/changes impacting portfolio (CO:209) (SP)

## Instructional Area: Customer Relations (CR)

**Standard:** Understands the techniques and strategies used to foster positive, ongoing relationships with customers

**Performance Element:** Foster positive relationships with customers to enhance company image.

**Performance Indicators:**

Follow up on the completion of the transaction (CR:034) (CS)

Conduct securities and investments lectures, seminars, and forums to attract potential clients (CR:035) (SP)

## Instructional Area: Financial Analysis (FI)

**Standard:** Understands tools, strategies, and systems used to maintain, monitor, control, and plan the use of financial resources

**Performance Element:** Apply knowledge of capital markets to make suitable financial decisions.

**Performance Indicators:**

Calculate stock-related values (e.g., the value of a constant growth stock, the expected value of future dividends, the expected rate of return, etc.) (FI:367) (SP)

Calculate bond-related values (e.g., the price of a bond given its yield to maturity, the coupon interest payment for a bond, the effects of interest rates on the price of a bond, etc.) (FI:236) (SP)

**Performance Element: Acquire fundamental knowledge of investment analysis and selection to make prudent investment decisions.**

**Performance Indicators:**

- Discuss types of investment objectives (FI:348) (SP)
- Discuss the nature of investment risk (FI:349) (SP)
- Describe the nature of diversification strategies (FI:350) (SP)
- Explain factors to consider when selecting investments (FI:279) (SP)
- Explain information that can be obtained from financial statements (FI:276) (SP)
- Describe information that can be obtained from annual reports (FI:277) (SP)
- Explain the nature of a mutual fund prospectus (FI:361) (SP)
- Explain fundamental analysis used in making investment decisions (FI:280) (SP)
- Describe the nature of technical analysis (FI:362) (SP)
- Explain strategies for selecting investments (FI:283) (SP)
- Describe portfolio management strategies (FI:664) (MN)
- Explain metrics used to measure real-estate investment performance (FI:665) (MN)
- Discuss performance measurements for venture capital (FI:363) (MN)
- Discuss the free cash flow method of analyzing investments (FI:666) (MN)
- Explain Modern Portfolio Theory (MPT) (FI:364) (MN)
- Explain the Efficient Market Hypothesis (EMH) (FI:667) (MN)
- Discuss the Capital Asset Pricing Model (CAPM) (FI:365) (MN)
- Explain the Arbitrage Pricing Theory (APT) (FI:366) (MN)

**Performance Element: Select investments to generate revenue for clients.**

**Performance Indicators:**

- Interpret financial ratios significant to investors (FI:281) (SP)
- Calculate real-estate-related values (e.g., capitalization rate, gross rental multiplier, rate of return, etc.) (FI:668) (SP)
- Choose investments based on security's technical analysis (FI:669) (SP)
- Assess securities' fundamentals (FI:282) (SP)
- Choose investments based on security's fundamental analysis (FI:284) (SP)
- Conduct qualitative and quantitative analysis of real-estate investments (FI:670) (SP)
- Select real-estate investments based on qualitative and quantitative analysis (FI:671) (SP)
- Evaluate portfolio performance (FI:672) (MN)

## Instructional Area: Information Management (NF)

**Standard:** Understands tools, strategies, and systems needed to access, process, maintain, evaluate, and disseminate information to assist business decision-making

**Performance Element:** Acquire fundamental knowledge of technology used in the securities and investment industry to increase workplace efficiency and effectiveness.

**Performance Indicators:**

Discuss the impact of technology on securities and investments (NF:217) (CS)

Demonstrate proper use of securities and investments tools/technology (NF:218) (SP)

**Performance Element:** Monitor business data to stay abreast of trends and changes that could impact investment/portfolio decision-making.

**Performance Indicators:**

Obtain investment information from online sources (e.g., search engines, online databases, blogs, forums, listserves, website, social media) (NF:219) (CS)

Obtain investment information from publications (e.g., newspapers; magazines--current trends, regulations, business issues) (NF:220) (CS)

Track business environment changes that impact business financial results (e.g., stock market activity, economic developments, political development, competitive landscape changes, product issues, etc.) (NF:221) (CS)

**Performance Element:** Interpret research data into information for business decision-making.

**Performance Indicators:**

Interpret descriptive statistics for investment decision making (NF:222) (SP)

Interpret correlations for investment decision making (NF:223) (SP)

Translate findings into actionable investment recommendations (NF:224) (SP)

## Instructional Area: Operations (OP)

**Standard:** Understands the processes and systems implemented to monitor, plan, and control the day-to-day activities required for continued business functioning

**Performance Element:** Implement operations activities to facilitate ongoing business processes.

**Performance Indicators:**

Discuss the functions of operations departments in securities and investments (OP:266) (SP)

Perform buy/sell functions to support trade execution (OP:267) (SP)

Post transaction data to accounting, compliance, and investment systems (OP:268) (SP)

Process and settle securities transactions in accordance with transaction instructions (OP:449) (SP)

Manage customer accounts (OP:450) (SP)

Calculate commissions (OP:270) (MN)

Analyze commission trends (OP:451) (MN)

## Instructional Area: Professional Development (PD)

**Standard:** Understands concepts, tools, and strategies used to explore, obtain, and develop in a business career

**Performance Element:** Understand careers in securities and investments to determine which role and responsibilities best match personal abilities and traits.

**Performance Indicators:**

Describe the role and responsibilities of individuals in the securities and investments industry (PD:231) (SP)

**Performance Element:** Explore licensing and certification in the securities and investments industry to enhance professional development.

**Performance Indicators:**

Describe licensing exams required to sell securities and other financial products (PD:232) (SP)

Explain professional designations in the securities and investments industry (e.g., CFS, CFA, BCAA, BCS, CSC, CFP, etc.) (PD:233) (SP)

**Performance Element: Acquire knowledge of the securities and investments industry to understand the environment in which its services are offered.**

**Performance Indicators:**

Discuss considerations in selecting a securities sales agent (PD:234) (SP)

Describe types of securities and investment firms (PD:235) (SP)

Describe how securities are traded (PD:236) (SP)

Explain the principal factors that affect securities markets (PD:237) (SP)

Explain causes of stock price fluctuations (PD:238) (SP)

Discuss the relationship between bond prices and yields (PD:239) (SP)

Discuss the role of investment banking in the primary marketplace (PD:240) (SP)

Discuss the nature of margin accounts (PD:241) (SP)

Explain the nature of short sales (PD:242) (SP)

Discuss the nature of market timing (PD:243) (SP)

Discuss the nature of international investment strategies (PD:244) (SP)

**Performance Element: Acquire knowledge of securities products and benefits to support workplace activities.**

**Performance Indicators:**

Describe the nature of mutual funds (PD:304) (SP)

Explain the rights of mutual fund shareholders (PD:305) (SP)

Discuss the nature of retirement investment plans (PD:306) (SP)

Explain the nature of education savings plans (PD:307) (SP)

Explain the nature of variable annuities (PD:342) (SP)

Explain the nature of stocks (PD:309) (SP)

Describe the rights of stockholders (PD:310) (SP)

Explain the nature of dividends (PD:311) (SP)

Discuss the nature of stock adjustments (PD:312) (SP)

Explain the nature of bonds (PD:313) (SP)

Discuss the nature of hedge funds (PD:314) (SP)

Describe the nature of commodities (PD:315) (SP)

Explain the nature of derivatives (PD:316) (SP)

Explain the nature of real estate investments (PD:317) (SP)

Explain the nature of venture capital (PD:318) (MN)

## Instructional Area: Risk Management (RM)

**Standard:** Understands risk-management strategies and techniques used to minimize business loss

**Performance Element:** Acquire a foundational understanding of risk management to demonstrate knowledge of its nature and scope.

**Performance Indicators:**

Discuss record retention requirements applicable to correspondence and documentation (RM:074) (SP)

Explain the role of operations and compliance in risk management programs (RM:075) (SP)

Explain risks and risk management strategies specific to broker-dealers (RM:076) (SP)