

## 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, LAP-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, LAP-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, etc.) (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, etc.) (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)

*Finance Cluster*

*(PQ) = Prerequisite; (CS) = Career-sustaining; (SP) = Specialist; (SU) = Supervisor; (MN) = Manager; (ON) = Owner*

**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, LAP-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, LAP-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 retail/business banking products and services (PD:154) (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, LAP-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)

*Finance Cluster*

*(PQ) = Prerequisite; (CS) = Career-sustaining; (SP) = Specialist; (SU) = Supervisor; (MN) = Manager; (ON) = Owner*

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**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)