

Text of Adopted 19 TAC

Chapter 130. Texas Essential Knowledge and Skills for Career and Technical Education

Subchapter F. Finance

§130.161. Implementation of Texas Essential Knowledge and Skills for Finance.

The provisions of this subchapter shall be implemented by school districts beginning with the 2010-2011 school year.

§130.162. Money Matters (One-Half to One Credit).

- (a) General requirements. This course is recommended for students in Grades 9-12. Recommended prerequisite: Principles of Business, Marketing, and Finance.
- (b) Introduction. Students will investigate global economics with emphasis on the free enterprise system and its impact on consumers and businesses. Students apply critical-thinking skills to analyze financial options based on current and projected economic factors. Students will gain knowledge and skills necessary to set long-term financial goals based on those options. Students will determine methods of achieving long-term financial goals through investment, tax planning, asset allocation, risk management, retirement planning, and estate planning.
- (c) Knowledge and skills.
 - (1) The student uses career planning concepts, tools, and strategies to explore, obtain, and develop a career in the area of financial planning. The student is expected to:
 - (A) discuss the nature and benefits of financial planning;
 - (B) discuss the role of ethics and personal responsibility in financial planning; and
 - (C) compare and contrast roles, responsibilities, licensing and certification programs for careers related to managing and analyzing personal and corporate financial portfolios, including financial planner, financial manager, financial analyst, controller, risk manager, cash manager, treasurer, and chief financial officer.
 - (2) The student demonstrates an understanding of the fundamental principles of money. The student is expected to:
 - (A) explain forms of financial exchange, including cash, credit, debit, and electronic funds transfer;
 - (B) compare and contrast various types of currency, including paper money, coins, banknotes, government bonds, and treasury notes;
 - (C) identify functions of money, including medium of exchange, unit of measure, and store of value;
 - (D) describe sources of income, including wages and salaries, interest, rent, dividends, capital gains, and transfer payments;
 - (E) explain the time value of money;
 - (F) discuss the purposes and importance of credit; and
 - (G) explain legal responsibilities associated with financial exchanges.
 - (3) The student describes economic systems. The student is expected to:
 - (A) compare the types of economic systems and market structures;
 - (B) explain the concept of private enterprise, including sole proprietorships, partnerships, and corporations;

- (C) identify and analyze the impact of economic concepts in historical documents, including the United States Constitution;
 - (D) identify factors affecting profit, revenue, and expenses;
 - (E) determine factors affecting business risk;
 - (F) explain the concept of competition;
 - (G) describe market structures; and
 - (H) understand the rights and responsibilities of consumers within various economic systems.
- (4) The student explains the impact of government on business activities within a free enterprise system. The student is expected to:
- (A) determine the relationship between government and business;
 - (B) describe the nature of taxes;
 - (C) discuss the nature of monetary policy;
 - (D) discuss the supply and demand for money;
 - (E) explain the role of the Federal Reserve System;
 - (F) explain the concept of fiscal policies; and
 - (G) describe the effects of fiscal and monetary policies.
- (5) The student discusses economic concepts impacting finance. The student is expected to:
- (A) distinguish between economic goods and services;
 - (B) analyze the impact of technological innovations on the marketing and distribution of goods and services;
 - (C) explain the concept of economic resources;
 - (D) describe the concepts of economics and economic activities;
 - (E) determine economic utilities created by business activities;
 - (F) explain the relationship between supply and demand; and
 - (G) describe the functions of prices in markets.
- (6) The student describes economic indicators impacting financial decision making. The student is expected to:
- (A) describe the concept of price stability as an economic measure;
 - (B) discuss the measure of consumer spending as an economic indicator;
 - (C) discuss the impact of a nation's unemployment rates;
 - (D) explain the concept of Gross Domestic Product;
 - (E) describe the economic impact of inflation on business;
 - (F) explain unemployment and inflation tradeoffs;
 - (G) explain the economic impact of interest rate fluctuations; and
 - (H) determine the impact of business cycles on business activities.
- (7) The student determines the impact of global/international trade on business decision making. The student is expected to:
- (A) explain the nature of global trade;
 - (B) describe the determinants of exchange rates and their effects on the domestic economy;

- (C) discuss the impact of cultural and social environments on global trade; and
 - (D) explain labor issues associated with global trade.
- (8) The student employs sociological knowledge to facilitate finance activities. The student is expected to:
- (A) analyze and interpret complex societal issues, events, and problems;
 - (B) analyze and evaluate the validity of information and statistics from primary and secondary sources for bias, propaganda, point of view, and frame of reference;
 - (C) reach reasoned conclusions;
 - (D) examine social beliefs, ethics, influences, and behavior;
 - (E) analyze group dynamics; and
 - (F) assess human behavior, including the impact of technological innovations or communication.
- (9) The student applies psychological knowledge to facilitate finance activities. The student is expected to:
- (A) recognize factors influencing perception;
 - (B) identify sources of attitude formation;
 - (C) assess methods used to evaluate attitudes;
 - (D) identify social and cultural strata;
 - (E) determine behavioral effects of social and cultural strata;
 - (F) analyze effects of others on individual behavior;
 - (G) predict likelihood of conformity and obedience;
 - (H) determine significance of aggression;
 - (I) recognize factors affecting personality;
 - (J) evaluate the nature of change over a lifetime;
 - (K) identify sources of stress;
 - (L) detail reactions to stress;
 - (M) employ strategies for dealing with stress;
 - (N) investigate factors affecting motivation;
 - (O) analyze cues to basic drives and motives; and
 - (P) analyze the development of motives.
- (10) The student analyzes personal financial needs and goals based on current and projected economic factors. The student is expected to:
- (A) explain the nature of financial needs, including college, retirement, wills, and insurance;
 - (B) set personal financial goals; and
 - (C) justify how those personal financial goals are realistic within the current and projected economy.
- (11) The student manages personal finances to achieve financial goals. The student is expected to:
- (A) develop a budget based on personal financial goals;
 - (B) explain the benefits of saving and investing;

- (C) explain the nature of tax liabilities;
 - (D) interpret a pay stub;
 - (E) read and reconcile bank statements;
 - (F) maintain financial records;
 - (G) demonstrate the wise use of credit;
 - (H) validate a credit history;
 - (I) protect against identity theft; and
 - (J) prepare personal income tax forms, including the 1040E.
- (12) The student describes the use of financial service providers. The student is expected to:
- (A) describe types of financial service providers; and
 - (B) discuss considerations in selecting a financial service provider.
- (13) The student compares and contrasts investment strategies. The student is expected to:
- (A) explain types of investments and illustrate an example of the responsible purchase, use, or disposal of personal and business property;
 - (B) explain the nature of capital investment; and
 - (C) establish investment goals and objectives.
- (14) The student identifies potential business threats and opportunities to protect a business's financial well-being. The student is expected to:
- (A) describe the concept of insurance;
 - (B) simulate obtaining insurance coverage;
 - (C) simulate settling insurance losses;
 - (D) identify speculative business risks; and
 - (E) explain the nature of risk management.
- (15) The student simulates the obtaining of business credit and controlling its use. The student is expected to:
- (A) explain the purposes and importance of obtaining business credit;
 - (B) analyze critical banking relationships;
 - (C) make critical decisions regarding acceptance of bank cards;
 - (D) determine financing needed for business operations;
 - (E) identify risks associated with obtaining business credit;
 - (F) explain sources of financial assistance;
 - (G) explain loan evaluation criteria used by lending institutions; and
 - (H) simulate completing a loan application package.
- (16) The student demonstrates an understanding of methods to manage financial resources to ensure solvency. The student is expected to:
- (A) describe the nature of budgets;
 - (B) explain the nature of operating budgets;
 - (C) describe the nature of cost-benefit analysis;

- (D) determine relationships among total revenue, marginal revenue, output, and profit;
 - (E) simulate developing a company department budget;
 - (F) forecast sales;
 - (G) calculate financial ratios;
 - (H) interpret financial statements;
 - (I) describe types of financial statement analysis, including ratio analysis and trend analysis; and
 - (J) identify problems within financial statements.
- (17) The student understands the importance of financial markets in business. The student is expected to:
- (A) describe the role of financial institutions; and
 - (B) explain types of financial markets, including money markets, securities markets, property market, and market for risk transfer.
- (18) The student develops an understanding of the nature of asset values. The student is expected to:
- (A) describe factors that affect the value of an asset, including cash flow, growth rate, timing, inflation interest rate, opportunity cost, risk, and required return; and
 - (B) read and interpret the value of an asset.
- (19) The student uses sources of securities information to make informed financial decisions. The student is expected to:
- (A) describe sources of securities information, charts, and graphs; and
 - (B) read and interpret securities tables.
- (20) The student simulates using debt and equity capital to raise funds for business growth. The student is expected to:
- (A) describe the financial needs of a business at different stages of development;
 - (B) discuss factors to consider in choosing between debt and equity capital; and
 - (C) explain the significance of capital structure.

§130.163. Banking and Financial Services (One-Half to One Credit).

- (a) General requirements. This course is recommended for students in Grades 10-12. Recommended prerequisite: Principles of Business, Marketing, and Finance.
- (b) Introduction. Students develop knowledge and skills in the economical, financial, technological, international, social, and ethical aspects of banking to become competent consumers, employees, and entrepreneurs. Students incorporate a broad base of knowledge that includes the operations, sales, and management of banking institutions to gain a complete understanding of how banks function within society.
- (c) Knowledge and skills.
 - (1) The student evaluates the role of banking in the modern economy. The student is expected to:
 - (A) outline the evolution of money and banking in the United States economy;
 - (B) explain the operation of the Federal Reserve Bank and its role in the economy;
 - (C) outline and analyze the history and the impact of the use of the gold or silver standard in monetary policy;

- (D) compare and contrast the types of financial institutions such as commercial banks, savings and loan associations, credit unions, investment banks, and financial services companies;
 - (E) discuss the role of the World Bank Group in international financial assistance; and
 - (F) explain the nature of government agencies that provide financing to businesses such as Export-Import Bank of the United States and Small Business Administration.
- (2) The student acquires knowledge of banking processes and services. The student is expected to:
- (A) describe the nature of banking processes;
 - (B) describe the types of banking services;
 - (C) discuss retail bank products and services;
 - (D) explain business bank products and services;
 - (E) describe basic teller performance standards;
 - (F) discuss the nature of loan products; and
 - (G) discuss trust services available to customers.
- (3) The student describes the roles and responsibilities in banking services, including educational requirements. The student is expected to:
- (A) explain the role and responsibilities of administrative careers in banking services; and
 - (B) describe the role and responsibilities of executive and managerial careers in banking services.
- (4) The student determines client needs and wants and responds through planned, personalized communication to influence purchase decision and enhance future business opportunities in banking services. The student is expected to:
- (A) describe the importance of selling in the banking industry;
 - (B) demonstrate cross-selling bank products and services;
 - (C) demonstrate the relationship-selling process;
 - (D) explain the process of opening a new account;
 - (E) conduct mock calls on small business clients;
 - (F) interpret loan terms for a client;
 - (G) describe the nature of event-based selling; and
 - (H) plan a sales campaign.
- (5) The student monitors, plans, and controls the day-to-day activities within a banking organization in order to ensure secure operations. The student is expected to:
- (A) describe how bank security programs minimize the chance for loss, including procedures for the secure handling of cash and checks; detecting and reporting counterfeit currency; implementing bank security programs and business continuity plans; and preventing crimes to which a bank could fall victim such as fraud, robbery, and phishing;
 - (B) discuss the role of the Federal Reserve System in banking operations and cash-handling procedures;
 - (C) perform daily cash processing activities such as processing damaged and mutilated currency and coin, ordering and depositing currency, depositing checks, handling differences in cash received and deposited, and transporting cash;

- (D) underwrite loan applications to determine credit worthiness of customers, including the loan application generating process, credit analysis, and factors affecting loan pricing and structuring;
 - (E) discuss real estate lending and servicing, including the involvement of financial institutions in the real estate industry and functions and responsibilities of the loan servicing departments; and
 - (F) discuss the nature of problem loan management.
- (6) The student describes laws and regulations used to manage business operations and transactions in the banking services industry. The student is expected to:
- (A) explain the elements of a compliance program;
 - (B) discuss functional areas of a compliance audit;
 - (C) develop a compliance program to protect the company well-being;
 - (D) discuss federal regulations of lending and operations functions in banking services, including the ethical and social aspects of those regulations;
 - (E) discuss E-compliance issues in banking services;
 - (F) discuss the responsibilities of regulatory agencies that oversee the banking industry;
 - (G) describe the process for implementing regulatory changes; and
 - (H) describe provisions of bankruptcy law.
- (7) The student creates and maintains positive, ongoing relationships with banking customers in order to enhance the organization's image. The student is expected to:
- (A) foster positive relationships with customers to enhance company image;
 - (B) discuss the importance of meeting and exceeding customer expectations;
 - (C) describe the relationships that institutions providing banking services have with their communities; and
 - (D) manage a profitable investment portfolio to build customer relationships, including selection of customers for portfolios using established criteria that support the institution's business goals.
- (8) The student maintains, monitors, controls, and plans the use of financial resources to enhance banking performance. The student is expected to:
- (A) describe the manner in which banks generate profit and explain measures banks take to ensure profitability; and
 - (B) use financial formulas commonly used in banking to aid in the growth and stability of banking services, including key ratios and terms in banking, banking calculations such as interest and annual percentage rate, capital adequacy, asset quality, management administration, earnings, liquidity, and sensitivity to market risk.
- (9) The student uses tools, strategies, and systems to operate banking equipment. The student is expected to:
- (A) use banking technology to increase workplace efficiency and effectiveness such as fill and empty automatic teller machines and process numeric data; and
 - (B) discuss the impact of technology on the banking industry.

§130.164. Securities and Investments (One-Half to One Credit).

- (a) General requirements. This course is recommended for students in Grades 10-12. Recommended prerequisite: Principles of Business, Marketing, and Finance.

- (b) Introduction. Students will describe and abide by laws and regulations in order to manage business operations and transactions in the securities industry; access, process, maintain, evaluate, and disseminate information to assist in making decisions common to the securities industry; and monitor, plan, and control day-to-day securities organization activities to ensure continued business functioning. Students will use career planning concepts, tools, and strategies to explore, obtain, and develop a career in the securities industry. Students will determine client needs and wants and respond through planned, personalized communication to influence purchase decisions and enhance future securities sales opportunities.
- (c) Knowledge and skills.
- (1) The student describes and abides by laws and regulations in order to manage business operations and transactions in the securities and investments industry. The student is expected to:
- (A) explain regulation of the securities and investments industry, including:
 - (i) legal and ethical considerations in buying and selling securities;
 - (ii) state regulation of the securities and investments industry;
 - (iii) the role of the National Association of Securities Dealers in the regulation of securities and investments;
 - (iv) regulation of extensions of credit in the securities industry;
 - (v) the nature of the Securities Investor Protection Corporation;
 - (vi) taxation issues that impact securities and investments; and
 - (vii) the nature of the Chartered Financial Analysts Institute Code of Ethics and Professional Conduct;
 - (B) describe fundamental concepts of real estate law, including:
 - (i) state licensure laws for the real estate industry;
 - (ii) laws pertaining to the conveyance of real estate;
 - (iii) the impact of local zoning regulations on the real estate industry; and
 - (iv) the nature of a real estate sales contract; and
 - (C) explain the nature and scope of real estate titling, including:
 - (i) methods of transferring real estate titles;
 - (ii) reasons for title work;
 - (iii) the nature of title insurance; and
 - (iv) types of real estate property titling such as sole ownership, joint tenancy with right of survivorship, and tenancy in common.
- (2) The student maintains, monitors, controls and plans the use of financial resources in order to perform key duties in the securities and investments industry. The student describes investment analysis and selection processes. The student is expected to:
- (A) describe types of investment objectives;
 - (B) consider the nature of investment risk;
 - (C) express the nature of diversification strategies;
 - (D) understand factors to consider when selecting investments;
 - (E) relate information that can be obtained from financial statements and annual reports;
 - (F) communicate the nature of a mutual fund prospectus;
 - (G) describe fundamental analysis used in making investment decisions;

- (H) relate the nature of technical analysis;
 - (I) verbalize strategies for selecting investments;
 - (J) identify performance measurements for venture capital; and
 - (K) describe investment analysis and selection theory, including the Modern Portfolio Theory, Capital Asset Pricing Model, and the Arbitrage Pricing Theory.
- (3) The student select investments for clients. The student is expected to:
- (A) interpret financial ratios significant to investors;
 - (B) calculate stock-related values such as the value of a constant growth stock, the expected value of future dividends, and expected rate of return;
 - (C) calculate bond-related values such as the price of a bond given its yield to maturity, the coupon interest payment for a bond, and the effects of interest rates on the price of a bond;
 - (D) assess securities' fundamentals;
 - (E) select investments based on fundamental analysis;
 - (F) appraise property to determine its value;
 - (G) understand the real estate valuation process;
 - (H) conduct a real estate appraisal;
 - (I) create a written real estate appraisal report using standard writing conventions; and
 - (J) appraise investment property.
- (4) The student monitors, plans, and controls day-to-day securities and investments operations to ensure continued business functioning. The student is expected to:
- (A) implement securities and investments operations activities;
 - (B) discuss the functions of operations in departments' securities and investments;
 - (C) perform the buy and sell functions of a brokerage clerk;
 - (D) post transaction data to accounting ledgers and certificate records;
 - (E) schedule the delivery of customer securities; and
 - (F) calculate commissions.
- (5) The student uses career planning concepts, tools, and strategies to explore, obtain, and develop a securities and investments career. The student is expected to describe careers in securities and investments.
- (6) The student explores securities and investments licensing and certification programs. The student is expected to:
- (A) explore educational requirements;
 - (B) compare and contrast the Series 6 and Series 7 licensing exams required to sell securities and other financial products;
 - (C) explain professional designations in the securities and investments industry such as Certified Fund Specialist, Chartered Financial Analyst, Board Certified in Asset Allocation, Board Certified in Securities, Certified Senior Consultant, and Certified Financial Planner;
 - (D) demonstrate an understanding of:

- (i) the environments in which securities and investments services are offered, including securities sales agents, securities and investment firms, and securities markets;
 - (ii) causes of stock price fluctuations;
 - (iii) the relationship between bond prices and yields;
 - (iv) the role of investment banking in the primary marketplace; and
 - (v) the nature of margin accounts, short sales, market timing, and international strategies;
- (E) describe the roles, responsibilities, and education requirements for careers in the real estate industry, including real estate sales agents, real estate appraisers, title company personnel, real estate entrepreneurs, and property managers;
- (F) describe real estate sales functions such as listing of property, methods of advertising, showing property, and closing and settlement; and
- (G) assist property owners in the sale of their real estate, including determining a list price, showing instructions, goals of holding an open house, and scheduling a tour or showing exclusively for real estate agents.
- (7) The student determines client needs and wants and responds through planned, personalized communication to influence purchase decisions and enhance future securities and investments opportunities. The student is expected to explain securities and investments products and their benefits, including the nature of stocks, dividends, stock splits, options strategies, hedge funds, futures, bonds, mutual funds, venture capital, real estate and retirement investment plans, and education savings plans and the rights of stockholders and mutual fund shareholders.
- (8) The student describes a complete securities and investments sale. The student is expected to:
- (A) conduct lectures, seminars, and forums to attract potential clients;
 - (B) schedule appointments with prospective clients;
 - (C) conduct mock client interviews;
 - (D) gather information on the client's finances and investment goals;
 - (E) organize information on the client's finances and investment goals;
 - (F) synthesize information on the client's finances and investment goals;
 - (G) use statistical and probabilistic skills for planning, investigating, collecting, analyzing, and interpreting data;
 - (H) determine investment strategies for meeting the client's investment goals;
 - (I) develop a written investment recommendation for the client using standard writing conventions;
 - (J) design and present sales presentation materials;
 - (K) present written investment recommendation to the client using standard writing conventions;
 - (L) convert objections into selling points;
 - (M) close the securities and investment sale;
 - (N) complete the order ticket according to the client's instructions;
 - (O) enter the order;
 - (P) follow up on the completion of the transaction; and

(Q) monitor the client's portfolio.

§130.165. Insurance Operations (One-Half to One Credit).

- (a) General requirements. This course is recommended for students in Grades 10-12. Recommended prerequisite: Principles of Business, Marketing, and Finance.
- (b) Introduction. Students will describe and abide by laws and regulations in order to manage business operations and transactions in the insurance industry; access, process, maintain, evaluate, and disseminate information to assist in making decisions common to the insurance industry; and monitor, plan, and control day-to-day insurance organization activities to ensure continued business functioning. Students will use career planning concepts, tools, and strategies to explore, obtain, and develop a career in insurance. Students will employ underwriting techniques and strategies to gather, access, and evaluate the risk posed by potential insurance clients. Students will determine client needs and wants and respond through planned, personalized communication to influence purchase decisions and enhance future insurance business opportunities.
- (c) Knowledge and skills.
 - (1) The student communicates an appreciation of the insurance industry and its role in society. The student is expected to:
 - (A) describe the nature of the insurance industry, including liability insurance and automobile insurance coverage;
 - (B) discuss components of homeowners' insurance;
 - (C) explain components of flood and earthquake insurance;
 - (D) identify components of commercial property insurance;
 - (E) explain the nature of commercial liability insurance;
 - (F) describe the nature of title insurance;
 - (G) define the nature of health insurance and long-term care insurance;
 - (H) compare and contrast the nature of Medicare and Medicaid;
 - (I) discuss the nature of unemployment insurance;
 - (J) identify the nature of worker's compensation insurance;
 - (K) describe the nature of disability insurance;
 - (L) explain the nature of life insurance;
 - (M) summarize the role of life insurance in investment and estate planning;
 - (N) discuss the manner in which insurance companies generate income;
 - (O) explain the use of state risk pool programs; and
 - (P) discuss trends in the insurance industry such as hacker insurance and identity theft insurance.
 - (2) The student describes careers in insurance. The student is expected to:
 - (A) explore education, licensing, and certification requirements; and
 - (B) discuss the role and responsibilities of an underwriter, insurance sales representative, actuary, claims personnel, and a loss control specialist.
 - (3) The student defines regulations that ensure compliance adherence to insurance industry regulations. The student is expected to:
 - (A) communicate the ethical and social responsibilities in the field of insurance;

- (B) discuss federal and state regulations governing the insurance industry;
 - (C) explain the significance of the Consolidated Omnibus Budget Reconciliation Act; and
 - (D) discuss Title I of the Health Insurance Portability and Accountability Act.
- (4) The student explains legal concepts pertinent to the insurance industry. The student is expected to:
- (A) discuss fundamental legal principles that pertain to insurance such as indemnity, insurable interest, subrogation, and utmost good faith; and
 - (B) describe the nature of insurance contracts.
- (5) The student analyzes the risk posed by potential clients in order to make insurance approval and denial decisions. The student is expected to:
- (A) explain the importance of actuarial science in the insurance industry;
 - (B) discuss the nature of credit-based insurance scores; and
 - (C) underwrite an insurance policy.
- (6) The student uses information technology tools when underwriting an insurance policy. The student is expected to:
- (A) simulate computer smart systems and applications to assist in the underwriting process; and
 - (B) use the Internet to determine a potential client's risk.
- (7) The student acquires necessary information and uses investigative techniques to identify and investigate insurance fraud. The student is expected to:
- (A) conduct a database search to obtain background information on claimants and witnesses;
 - (B) discuss the nature of insurance fraud;
 - (C) investigate suspected insurance fraud;
 - (D) conduct surveillance work; and
 - (E) identify and research a case study involving possible insurance fraud, including:
 - (i) formulating questions to analyze the issue;
 - (ii) gathering relevant sources;
 - (iii) evaluating the validity and reliability of those sources;
 - (iv) determining and verbalizing applicable laws and regulations;
 - (v) gathering data supporting evidence; and
 - (vi) creating a clear and coherent oral and written presentation, including the use of correct grammar, spelling, punctuation, and citation of resource materials.
- (8) The student manages agency and company policies to protect the insurance company's financial well-being. The student is expected to:
- (A) notify clients in writing when policy is cancelled using writing conventions appropriate to this purpose; and
 - (B) monitor agency accounts.
- (9) The student gathers, organizes, and synthesizes information to process a claim to fulfill and communicate the company's legal obligation to the client. The student is expected to:
- (A) discuss the nature of insurance claims;
 - (B) process an insurance claim;

- (C) interview claimant and witnesses;
 - (D) inspect property damage;
 - (E) compile a claim report;
 - (F) negotiate with claimant; and
 - (G) settle the insurance claim.
- (10) The student evaluates existing client insurance and risk-management needs. The student is expected to:
- (A) evaluate a client's insurance needs; and
 - (B) recommend coverage upgrades to clients, where appropriate.
- (11) The student simulates an insurance sale. The student is expected to:
- (A) identify prospective clients;
 - (B) schedule appointments with prospective clients;
 - (C) interview a client;
 - (D) determine the client's insurance needs;
 - (E) prepare sales presentation materials;
 - (F) present an insurance recommendation to the client;
 - (G) close the insurance sale;
 - (H) handle any objections; and
 - (I) process the insurance documentation.

§130.166. Accounting I (One Credit).

- (a) General requirements. This course is recommended for students in Grades 10-12. Recommended prerequisite: Principles of Business, Marketing, and Finance.
- (b) Introduction. Students investigate the field of accounting, including how it is impacted by industry standards as well as economic, financial, technological, international, social, legal, and ethical factors. Students reflect on this knowledge as they engage in the process of recording, classifying, summarizing, analyzing, and communicating accounting information. Students formulate and interpret financial information for use in management decision making.
- (c) Knowledge and skills.
 - (1) The student communicates an understanding of the accounting industry. The student is expected to:
 - (A) describe the purpose of accounting and financial reporting; and
 - (B) discuss its impact on industry.
 - (2) The student uses career planning concepts, tools, and strategies to explore accounting careers. The student is expected to:
 - (A) describe Generally Accepted Accounting Principles such as the purpose and use;
 - (B) discuss the significance of responsibility in accounting such as ethical and social responsibility and careers in accounting;
 - (C) explore careers in accounting, including education requirements, roles, and responsibilities of certified public accountants, general ledger accountants, management accountants, auditors, government accountants, international accountants, forensic accountants, and senior management in accounting; and

- (D) identify accounting licensing and certification programs, including professional designations for accountants such as certified public accountant and certified management accountant.
- (3) The student uses equations, graphical representations, accounting tools, strategies, and systems in real-world situations to maintain, monitor, control, and plan the use of financial resources. The student will communicate how accounting procedures affect financial statements. The student is expected to:
- (A) classify, record, and summarize financial data;
 - (B) discuss the accounting cycle;
 - (C) demonstrate the effects of transactions on the accounting equation;
 - (D) prepare a chart of accounts;
 - (E) use T accounts;
 - (F) record transactions in a general journal;
 - (G) post journal entries to general ledger accounts;
 - (H) prepare a trial balance;
 - (I) journalize and post adjusting and closing entries;
 - (J) prepare a post-closing trial balance;
 - (K) prepare work sheets;
 - (L) discuss the nature of annual reports;
 - (M) discuss the use of financial ratios in accounting;
 - (N) determine business liquidity;
 - (O) calculate business profitability;
 - (P) prepare income statements;
 - (Q) prepare a statement of equity and retained earnings; and
 - (R) prepare balance sheets.
- (4) The student maintains cash controls. The student is expected to:
- (A) explain cash control procedures such as signature cards, deposit slips, internal and external controls, and cash clearing;
 - (B) prove cash;
 - (C) journalize and post entries to establish and replenish petty cash;
 - (D) journalize and post entries related to banking activities;
 - (E) explain the benefits of electronic funds transfer; and
 - (F) prepare bank deposits, purchase requisitions, purchase orders, sales slips, and invoices.
- (5) The student performs accounting functions specific for a merchandising business. The student is expected to explain the nature of special journals and recording transactions in special journals.
- (6) The student performs accounts payable functions. The student is expected to:
- (A) maintain a vendor file;
 - (B) analyze purchase transactions;
 - (C) post to an accounts payable subsidiary ledger;

- (D) process invoices for payment and accounts payable; and
 - (E) prepare an accounts payable schedule.
- (7) The student performs accounts receivable functions. The student is expected to:
- (A) explain the nature of accounts receivable;
 - (B) maintain a customer file for accounts receivable;
 - (C) analyze sales transactions;
 - (D) post to an accounts receivable subsidiary ledger;
 - (E) process sales orders, invoices, returns, and allowances;
 - (F) process customer payments;
 - (G) process uncollectible accounts;
 - (H) prepare an accounts receivable schedule; and
 - (I) determine uncollectible accounts receivable.
- (8) The student maintains inventory records to track the location, quantity, and value of current assets. The student is expected to:
- (A) record inventory usage;
 - (B) process invoice of inventory;
 - (C) process results of inventory and adjustments; and
 - (D) determine the cost of inventory.
- (9) The student completes payroll procedures to calculate, record, and distribute payroll earnings. The student is expected to:
- (A) interpret time cards to calculate hours worked;
 - (B) maintain employee earnings records;
 - (C) calculate employee earnings such as gross earnings and net pay;
 - (D) calculate employee-paid withholdings;
 - (E) prepare a payroll register;
 - (F) record the payroll in the general journal;
 - (G) complete payroll tax expense forms; and
 - (H) prepare federal, state, and local payroll tax reports.
- (10) The student performs specialized accounting procedures to track cash flow. The student is expected to:
- (A) process notes payable and receivable;
 - (B) determine the book value of a plant asset;
 - (C) prepare depreciation schedules;
 - (D) record the disposition of assets;
 - (E) account for intangible assets; and
 - (F) analyze accounting records to make business decisions.
- (11) The student performs specialized accounting functions to a corporation. The student is expected to:

- (A) discuss the nature of a consolidated financial statement;
 - (B) communicate methods to account for the issuance of stock;
 - (C) analyze the articles of incorporation needed to start a corporation;
 - (D) compute the number of shares of common stock to be issued on the conversion of convertible preferred stock;
 - (E) compute dividends payable on stock;
 - (F) prepare a balance sheet for a corporation;
 - (G) complete a work sheet for a corporation;
 - (H) prepare an income statement for a corporation;
 - (I) prepare a statement of equity and retained earnings for a corporation;
 - (J) understand that internal accounting controls exist to ensure the proper recording of financial transactions; and
 - (K) identify and perform tax accounting functions such as recordkeeping procedures and the nature of corporate tax accounting.
- (12) The student describes and abides by laws and regulations in order to manage business operations and transactions in accounting. The student is expected to:
- (A) describe regulation of accounting, including:
 - (i) identify and analyze historical events that led to the regulation of accounting such as the fall of Enron; WorldCom; Tyco International, Ltd.; Adelphia Communications; and Arthur Andersen;
 - (ii) describe the impact of the Sarbanes-Oxley Act of 2002 on internal controls and financial reporting;
 - (iii) describe the role of the Securities and Exchange Commission in regulating the accounting industry; and
 - (iv) discuss state regulation of the accounting industry; and
 - (B) identify and research a case study involving a historically significant compliance or regulatory issue that led to the formation of regulatory agencies or laws, including:
 - (i) formulate questions to analyze the issue;
 - (ii) gather relevant sources;
 - (iii) evaluate the validity and reliability of those sources; and
 - (iv) determine and verbalize which laws and regulations apply.
- (13) The student accesses, processes, maintains, evaluates, and disseminates financial information to assist business decision making. The student is expected to:
- (A) use accounting technology, including discussing the use of data mining and integrating technology into accounting; and
 - (B) create a clear and coherent oral presentation that includes the use of correct grammar, spelling, punctuation, and citation of resource materials.

§130.167. Accounting II (One Credit).

- (a) General requirements. This course is recommended for students in Grades 11-12. Prerequisite: Accounting I.

- (b) Introduction. Students continue the investigation of the field of accounting, including how it is impacted by industry standards as well as economic, financial, technological, international, social, legal, and ethical factors. Students reflect on this knowledge as they engage in various managerial and cost accounting activities. Students formulate and interpret financial information for use in management decision making.
- (c) Knowledge and skills.
- (1) The student uses equations, graphical representations, accounting tools, strategies, and systems in real-world situations to maintain, monitor, control, and plan the use of financial resources. The student is expected to communicate how accounting procedures affect financial statements.
 - (2) The student performs accounting functions specific to a corporation. The student is expected to:
 - (A) discuss the nature of a consolidated financial statement;
 - (B) communicate methods to account for the issuance of stock;
 - (C) analyze the articles of incorporation needed to start a corporation;
 - (D) compute the number of shares of common stock to be issued on the conversion of convertible preferred stock;
 - (E) compute dividends payable on stock;
 - (F) understand that internal accounting controls exist to ensure the proper recording of financial transactions;
 - (G) complete a work sheet for a corporation;
 - (H) generate an income statement for a corporation;
 - (I) develop a statement of equity for a corporation;
 - (J) produce a balance sheet for a corporation;
 - (K) formulate a cash flow statement; and
 - (L) perform accounting functions specific to corporate tax accounting, including discussing the nature of corporate tax accounting and applying record-keeping procedures for corporate tax accounting.
 - (3) The student applies related accounting procedures to the purchase and sale of bonds.
 - (4) The student discusses and performs accounting functions in a financial statement analysis. The student is expected to:
 - (A) explain the nature of annual reports;
 - (B) discuss the use of financial ratios in accounting;
 - (C) determine business liquidity; and
 - (D) calculate business profitability.
 - (5) The student describes and employs fundamental managerial accounting concepts. The student is expected to:
 - (A) explain the nature of managerial cost accounting such as activities, costs, and cost drivers;
 - (B) conduct cost-volume-profit analysis;
 - (C) identify cost accounting systems such as job order costing, process costing, activity-based costing, and project costing;
 - (D) calculate the cost of goods sold;
 - (E) compute overhead rates;

- (F) apply overhead to jobs;
 - (G) illustrate the nature of cost accounting decision making;
 - (H) discuss the nature of cost accounting budgets;
 - (I) explain the use of variance analysis for cost accounting;
 - (J) discuss the nature of cost allocation;
 - (K) develop standard variable costs for a product;
 - (L) calculate variances;
 - (M) conduct variance analysis;
 - (N) perform cost allocation functions; and
 - (O) prepare cost of production reports.
- (6) The student prepares budget reports to make business decisions. The student is expected to:
- (A) process preliminary budget detail;
 - (B) prepare budget reports; and
 - (C) determine relevant cost and revenue data for decision-making purposes.
- (7) The student describes and abides by laws and regulations in order to manage business operations and transactions in accounting. The student is expected to:
- (A) describe and discuss regulation of accounting, including:
 - (i) the impact of the Sarbanes-Oxley Act of 2002 on accounting;
 - (ii) the role of the Securities and Exchange Commission in regulating the accounting industry; and
 - (iii) the state regulation of the accounting industry; and
 - (B) identify and research a case study involving a currently unresolved fraud, compliance, or regulatory issue or possible scenario, including:
 - (i) formulate questions to analyze the issue;
 - (ii) gather relevant sources;
 - (iii) evaluate the validity and reliability of those sources;
 - (iv) determine and verbalize which laws and regulations apply;
 - (v) gather data supporting evidence of fraud or non-compliance with regulations; and
 - (vi) create a clear and coherent presentation, including the use of correct grammar, spelling, punctuation, and citation of resource materials.
- (8) The student accesses, processes, maintains, and evaluates, and disseminates financial information to assist business decision making. The student is expected to:
- (A) discuss using accounting technology such as the use of data mining and integrating technology into accounting; and
 - (B) create a clear and coherent oral and written presentation that includes the use of correct grammar, spelling, punctuation, and citation of resource materials.

§130.168. Financial Analysis (One Credit).

- (a) General requirements. This course is recommended for students in Grades 11-12. Prerequisite: Accounting I.

- (b) Introduction. Students apply technical skills to develop knowledge and skills in the economical, financial, technological, international, social, and ethical aspects of business to become competent consumers, employees, and entrepreneurs. Students develop analytical skills by actively evaluating financial results of multiple businesses, interpreting results for stakeholders, and presenting strategic recommendations for performance improvement.
- (c) Knowledge and skills.
- (1) The student analyzes accounting systems to examine their contribution to the fiscal stability of businesses. The student is expected to:
 - (A) describe the nature and scope of accounting; and
 - (B) implement accounting procedures for tracking money flow and determining financial status through the preparation of financial statements.
 - (2) The student describes tools, strategies, and systems used to maintain, monitor, control, and plan the use of financial resources.
 - (3) The student demonstrates mathematics knowledge and skills required to pursue the full range of postsecondary education and career opportunities. The student is expected to:
 - (A) demonstrate knowledge of arithmetic operation such as addition, subtraction, multiplication, and division;
 - (B) demonstrate use of relational expressions such as equal to, not equal to, greater than, less than;
 - (C) apply data and measurements to solve a problem;
 - (D) analyze mathematical problem statements for missing and irrelevant data;
 - (E) construct charts, tables, and graphs from functions and data; and
 - (F) analyze data when interpreting operational documents.
 - (4) The student manages financial resources to ensure solvency. The student is expected to:
 - (A) describe the nature of budgets;
 - (B) explain the nature of operating budgets;
 - (C) determine relationships among total revenue, marginal revenue, output, and profit;
 - (D) calculate financial ratios;
 - (E) interpret financial statements;
 - (F) describe types of financial statement analyses such as ratio analysis and trend analysis; and
 - (G) identify problems and issues with financial statements.
 - (5) The student calculates business ratios to evaluate company performance. The student is expected to:
 - (A) discuss the use of financial ratios in business finance; and
 - (B) use multiple ratios to evaluate company performance, including income, profitability, operating performance, liquidity, working capital, bankruptcy prediction, long-term analysis, coverage, debt, cash flow indicator, investment valuation, and discuss the use of benchmarks when analyzing ratios.
 - (6) The student analyzes a financial statement. The student is expected to:
 - (A) discuss the analysis of a company's financial situation using its financial statements;
 - (B) describe external forces affecting a company's value;

- (C) explain how value is created for a company;
 - (D) analyze a company financial situation;
 - (E) understand and interpret financial statement notes; and
 - (F) evaluate results from aspect of management, creditors, and investors.
- (7) The student employs critical-thinking skills independently and in teams to solve problems and make decisions. The student is expected to:
- (A) identify common tasks that require employees to use problem-solving skills;
 - (B) analyze elements of a problem to develop creative solutions;
 - (C) create and evaluate ideas, proposals, and solutions to problems;
 - (D) generate new and creative ideas to solve problems by brainstorming possible solutions;
 - (E) critically analyze information to determine value to the problem-solving task;
 - (F) guide individuals through the process of recognizing concerns and making informed decisions; and
 - (G) identify and evaluate alternatives using a variety of problem-solving and critical-thinking skills.

§130.169. Statistics and Risk Management (One Credit).

- (a) General requirements. This course is recommended for students in Grades 11-12. This course may meet the requirements for the fourth mathematics credit. Recommended prerequisites: Accounting I and Algebra II.
- (b) Introduction. Students will use a variety of graphical and numerical techniques to analyze patterns and departures from patterns to identify and manage risk that could impact an organization. Students will use probability as a tool for anticipating and forecasting data within business models to make decisions. Students will determine the appropriateness of methods used to collect data to ensure conclusions are valid.
- (c) Knowledge and skills.
 - (1) The student uses career planning concepts, tools, and strategies to explore a career in the area of risk management. The student is expected to:
 - (A) compare and contrast the fundamentals of risk management, including the nature and benefits of risk management;
 - (B) discuss the role of ethics and responsibility in risk management; and
 - (C) compare and contrast roles, responsibilities, licensing, and certification programs of careers related to managing and analyzing personal and corporate financial portfolios, including financial planner, financial manager, financial analyst, controller, risk manager, cash manager, treasurer, and chief financial officer.
 - (2) The student plans, monitors, and controls day-to-day activities to enable continued functioning in finance. The student is expected to:
 - (A) analyze the operations role and function in finance such as:
 - (i) explain the nature of operations;
 - (ii) discuss the role of ethics in operations; and
 - (iii) describe use of technology in operations;
 - (B) implement purchasing activities in finance such as:
 - (i) explain the nature and scope of purchasing;
 - (ii) place orders or reorders;

- (iii) maintain inventory of supplies;
 - (iv) manage the bid process in purchasing;
 - (v) select vendors; and
 - (vi) evaluate vendor's performance;
 - (C) describe and explain the production role and function, including the concept of production and production activities; and
 - (D) identify and implement quality-control processes in finance, including:
 - (i) quality-control measures;
 - (ii) quality-control methods at work;
 - (iii) crucial elements of a quality culture;
 - (iv) the role of management in achievement of quality; and
 - (v) efficient operating systems.
- (3) The student analyzes accounting systems to examine fiscal stability of businesses. The student is expected to:
 - (A) describe the nature and scope of accounting; and
 - (B) implement accounting procedures for tracking money flow and determining financial status such as the nature of cash flow statements, balance sheets, and income statements.
- (4) The student maintains, monitors, controls, and plans the use of financial resources to ensure business stability. The student is expected to:
 - (A) describe fundamental financial concepts involved in the management of corporate finances, including the nature of depreciation, and cash flows;
 - (B) analyze the need for efficient capital markets in corporate finance;
 - (C) explore the capital budgeting process;
 - (D) perform calculations necessary for capital budget decision making, including:
 - (i) calculating the initial investment associated with a proposed capital expenditure;
 - (ii) determining operating cash inflows; and
 - (iii) determining terminal cash flow;
 - (E) conduct cash-flow analysis to select an acceptable capital expenditure, including:
 - (i) interpreting the nature of relevant cash flow-analysis;
 - (ii) explaining the nature of the payback period;
 - (iii) calculating the payback period;
 - (iv) calculating the net present value;
 - (v) explaining the relationship between the internal rate of return and net present value;
 - (vi) calculating the net present value; and
 - (vii) calculating the internal rate of return;
 - (F) explain the role of financial planning in corporate finance, including the financial planning process, short-term operating, and long-term strategic planning;
 - (G) conduct cash planning, including:

- (i) explaining the use of cash budgets;
 - (ii) coping with uncertainty in cash budgets;
 - (iii) preparing a cash budget; and
 - (iv) evaluating a cash budget;
 - (H) conduct profit planning, including:
 - (i) formulating the use of pro forma statements in profit planning;
 - (ii) developing a pro forma income statement; and
 - (iii) preparing a pro forma balance sheet;
 - (I) define and describe the nature of short-term financial management;
 - (J) explain the role of valuation in making appropriate financial decisions for a company, including:
 - (i) discussing the role of project valuation in capital allocation decisions;
 - (ii) comparing methods for valuing flexibility; and
 - (iii) discussing the valuation implications in business finance;
 - (K) use capital market securities to secure financing for a company, including, but not limited to:
 - (i) analyzing methods to determine the best financing option for a company;
 - (ii) analyzing the nature of corporate bonds;
 - (iii) analyzing and determining the cost of long-term debt;
 - (iv) describing the issuance of stock from a corporation;
 - (v) comparing and contrasting preferred stock and common stock; and
 - (vi) calculating the cost of preferred stock and common stock;
 - (L) explain the role of dividends in corporate finance, including forms of dividends and reinvestment plans;
 - (M) describe the effect of a firm's dividend decisions on its external financing requirements;
 - (N) illustrate the residual theory of dividends;
 - (O) describe the impact of dividends on the value of the firm;
 - (P) explain the nature of a dividend policy;
 - (Q) explain factors to consider when deciding on the form of dividend distribution; and
 - (R) analyze ownership change transactions, including:
 - (i) comparing mergers and acquisitions;
 - (ii) explaining the nature of hostile takeovers;
 - (iii) discussing issues that arise from mergers and acquisitions;
 - (iv) explaining methods for evaluating potential merger/acquisition targets;
 - (v) evaluating potential merger and acquisition targets; and
 - (vi) analyzing the nature of restructurings.
- (5) The student employs risk-management strategies and techniques in corporate finance to minimize business loss. The student is expected to:

- (A) manage risk to protect business stability, including:
 - (i) analyzing the relationship between risk management and business finance;
 - (ii) discussing the nature of risk measurement;
 - (iii) measuring risk;
 - (iv) explaining the nature of interest rate risk;
 - (v) managing interest rate risk;
 - (vi) explaining approaches to financial risk management;
 - (vii) discussing the use of derivatives in financial risk management;
 - (viii) evaluating the risks of derivatives;
 - (ix) explaining reasons to integrate risk management into business operations;
 - (x) identifying business risks; and
 - (xi) integrating risk management into business operations; and
 - (B) explain enterprise risk management, including:
 - (i) analyzing the nature of enterprise risk management; and
 - (ii) using accounting tools, strategies, and systems to maintain, monitor, control, and plan the use of financial resources.
- (6) The student accesses, processes, maintains, evaluates, and disseminates financial information to assist business decision making. The student is expected to:
- (A) communicate the value of statistical information in a variety of business disciplines and environments;
 - (B) assess statistical information portrayed in media, work, and educational environments;
 - (C) generate a spreadsheet to collect, collate, organize, and analyze quantitative data;
 - (D) use spreadsheets and graphical techniques to present data in a manner that is understood by and meaningful to colleagues and clients;
 - (E) analyze data presented in frequency distributions, histograms, and forgiveness;
 - (F) construct and use descriptive indices;
 - (G) apply the common rules of probability to evaluate business alternatives;
 - (H) construct and interpret a confidence interval estimate for a single population mean using standard normal distribution;
 - (I) establish and interpret a confidence interval estimate for a single population proportion;
 - (J) carry out an appropriate hypothesis test on a single population mean or proportion;
 - (K) interpret the p-value of the test statistic;
 - (L) construct a contingency table and perform a chi-squared test of independence;
 - (M) analyze two variable problems using linear regression and correlation; and
 - (N) interpret the results of a computer-generated regression model.