

DRAFT Proposed Revisions
Texas Essential Knowledge and Skills
Career and Technical Education (CTE)—Finance

Prepared by the State Board of Education TEKS Review Committees

First Draft, August 2014

These draft proposed revisions reflect the changes to the career and technical education (CTE) Texas Essential Knowledge and Skills (TEKS) that have been recommended by State Board of Education-appointed TEKS review committees for courses in the **Finance Career Cluster**. Proposed additions are shown in green font with underlines (additions) and proposed deletions are shown in red font with strikethroughs (~~deletions~~).

Comments in the right-hand column provide explanations for the proposed changes. The following notations were used as part of the explanations:

CRS—information added or changed to align with the Texas College and Career Readiness Standards (CCRS)

MV—multiple viewpoints from within the committee

VA—information added, changed, or deleted to increase vertical alignment

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

TEKS with edits		Committee Comments
(a)	General requirements. This course is recommended for students in Grades 10-12. Recommended prerequisite: Principles of Business, Marketing, and Finance.	
(b)	Introduction.	Consumers are in Money Matters. These TEKS are focused on careers.
(1)	<u>CTE instruction provides content aligned with challenging academic standards and relevant technical knowledge and skills for students to further their education and succeed in current or emerging professions.</u>	
(2)	<u>The Finance Career Cluster focuses on planning, services for financial and investment planning, banking, insurance, and business financial management.</u>	
(3)	<u>Banking Services Pathway: Primarily concerned with accepting deposits, lending funds, and extending credit, banking services include cash management, short-term investments, mortgages and other loans, credit cards, and bill payment. Banking services are delivered via a number of different institutions, from commercial banks (the largest group) and other traditional means (savings and loans associations, credit unions, and local banks) to newer ventures through insurance companies, brokerage houses, and the internet.</u>	
(4)	Students develop knowledge and skills in the economic al , 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.	
(5)	<u>Students are encouraged to participate in extended learning experiences such as career and technical student organizations and other leadership or extracurricular organizations.</u>	
(6)	<u>Statements that contain the word "including" reference content that must be mastered, while those containing the phrase "such as" are intended as possible illustrative examples.</u>	
(c)	Knowledge and skills.	
(1)	<u>The student demonstrates professional standards/employability skills as required by business and industry. The student is expected to demonstrate:</u>	
(A)	<u>effective oral and written communication skills;</u>	
(B)	<u>numerical and arithmetic applications;</u>	
(C)	<u>integrity and strong work ethic;</u>	
(D)	<u>attention to detail; and</u>	

(E)	<u>effective problem-solving.</u>	
(2)	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, <u>and mortgage companies;</u>	Add an additional financial institution
(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.	
(3)	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.	
(4)	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.	
(5)	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, <u>including cross-selling and relationship-selling;</u>	Shifted focus from being a bank employee to understanding the processes within a bank.
(B)	demonstrate cross-selling bank products and services;	

(C)	demonstrate the relationship selling process;	
(D) (B)	explain the process of opening a new account;	
(E)	conduct mock calls on small business clients;	Shifted focus from being a bank employee to understanding the processes within a bank.
(F) (C)	interpret describe loan terms for a client;	Terminology
(G)	describe the nature of event-based selling; and	Shifted focus from being a bank employee to understanding the processes within a bank.
(H)	plan a sales campaign.	
(6)	The student monitors, plans, and controls simulates the day-to-day activities within a banking organization in order to ensure secure operations. The student is expected to:	More realistic classroom based activities.
(A)	describe how bank loss prevention measures security programs minimize the chance for loss; such as 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;	Current language
(B)	discuss the role of the Federal Reserve System in banking operations and cash-handling procedures;	
(C)	perform simulate 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;	More realistic to simulate the action item
(D)	analyze the underwrite underwriting of loan applications to determine credit worthiness of customers, including the loan application generating process; credit analysis; and factors affecting loan pricing and structuring;	More specific focus on the underwriting and credit analysis.
(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	Mortgage companies added to 1(D)
(F) (E)	discuss the nature of problem loan management.	
(7)	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 analyze a compliance plan program to protect the company well being;	Refined terminology, delete redundant text

(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	How changes are made is not relevant.
(H)	describe provisions of bankruptcy law.	More for business law class
<u>(8)</u>	The student <u>investigates ways to create</u> creates and maintains positive, ongoing relationships with banking customers in order to enhance the organization's image. The student is expected to:	Refines terminology
(A)	<u>explain ways to cultivate</u> foster positive relationships with customers to enhance company image;	Refines terminology
(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 build customer relationships, including selection of customers for portfolios using established criteria that support the institution's business goals.	Time constraints of the course
<u>(9)</u>	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 <u>they banks</u> take to ensure profitability; and	Clarity
(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.	Terminology not relevant in this section.
(9)	The student uses tools, strategies, and systems to operate banking equipment. The student is expected to:	Operation of equipment isn't realistic
(A)	use of banking technology to increase workplace efficiency and effectiveness such as fill and empty automatic teller machines and process numeric data; and	Operation of equipment isn't realistic
(B)	discuss the impact of technology on the banking industry.	Operation of equipment isn't realistic

§130.166. Accounting I (One Credit).

TEKS with edits		Committee Comments
(a)	General requirements. This course is recommended for students in Grades 10-12. Recommended prerequisite: Principles of Business, Marketing, and Finance.	
(b)	Introduction.	New intro sections
(1)	<u>CTE instruction provides content aligned with challenging academic standards and relevant technical knowledge and skills for students to further their education and succeed in current or emerging professions.</u>	
(2)	<u>The Finance Career Cluster focuses on planning, services for financial and investment planning, banking, insurance, and business financial management.</u>	
(3)	<u>Accounting Pathway: Accounting encompasses careers that record, classify, summarize, analyze, and communicate a business's financial information/business transactions for use in management decision-making. Accounting includes such activities as bookkeeping, systems design, analysis, and interpretation of accounting information.</u>	
(4)	<u>Students are encouraged to participate in extended learning experiences such as career and technical student organizations and other leadership or extracurricular organizations.</u>	
(5)	<u>Statements that contain the word "including" reference content that must be mastered, while those containing the phrase "such as" are intended as possible illustrative examples.</u>	
(6)	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)	<u>The student demonstrates professional standards/employability skills as required by business and industry. The student is expected to demonstrate:</u>	
(A)	<u>effective oral and written communication skills;</u>	
(B)	<u>numerical and arithmetic applications;</u>	
(C)	<u>integrity and strong work ethic;</u>	
(D)	<u>attention to detail; and</u>	
(E)	<u>effective problem-solving.</u>	
(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; and	
<u>(C)</u>	<u>describe Generally Accepted Accounting Principles such as the purpose and use.</u>	Moved from 2 (A)
(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;	Move to 1 (C)
(B) <u>(A)</u>	discuss the significance of responsibility in accounting such as ethical and social responsibility and careers in accounting;	
(C) <u>(B)</u>	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) <u>(C)</u>	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 <u>automated</u> systems in real-world situations to maintain, monitor, control, and plan the use of financial resources. The student will <u>complete an accounting cycle for a service business.</u> communicate how accounting procedures affect financial statements. The student is expected to:	Add for real world applications of accounting
(A)	classify, record, and summarize financial data;	All of the activities below (B) through (R) accomplish this - redundant
(B)	discuss <u>illustrate</u> the accounting cycle;	More concrete expression of knowledge
(C)	<u>analyze</u> demonstrate the effects of transactions on the accounting equation;	
(i)	use T accounts <u>to analyze transactions;</u>	Moved from (E) More specificity
(D)	prepare a chart of accounts;	
(E)	use T accounts to analyze transactions;	Moved to (C) (i)
(F)	record <u>journalize</u> transactions in a general journal;	Industry terminology
(G)	post journal entries to general ledger accounts;	
<u>(H)</u>	<u>prepare work sheets;</u>	Moved from (-)
(I) <u>(I)</u>	prepare a trial balance;	
<u>(J)</u>	journalize and post adjusting and closing entries;	
(K) <u>(K)</u>	prepare a post-closing trial balance;	

(K)	prepare work sheets;	Moved to (_)
(L)	discuss the nature of annual reports;	Covered in Accounting II
(M)	discuss the use of financial ratios in accounting;	Covered in Accounting II
(N)	determine business liquidity;	Covered in Accounting II
(O)	calculate business profitability;	Covered in Accounting II
(P) (L)	prepare financial income statements <u>including: income statements, balance sheets, statements of stockholders' equity, and changes in owners' equity;</u>	Consolidate financial statements into one.
(Q)	prepare a statement of stockholders' equity and changes in retained earnings; and	Proper names for financial statements
(R)	prepare a balance sheets.	
(4)	The student maintains <u>analyzes</u> cash controls. The student is expected to:	Realistic application of the task
(A)	explain cash control procedures such as <u>bank account access signature cards, deposit slips, internal and external controls, and cash clearing; dual control, timely account reconciliations, and security of check stock;</u>	More relevant examples
(B)	prove cash <u>and reconcile bank statements;</u>	Banking function added
(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.	Does not belong in this section.
(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	Redundant
(E)	prepare an accounts payable a schedule <u>of accounts payable; and</u>	More appropriate terminology
(F)	<u>analyze the impact of accounts payable on the balance sheet and cash flow statements.</u>	Get beyond the bookkeeping
(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;	Invoices are for accounts payable
(F)	process customer payments;	
(G)	process uncollectible accounts;	
(H)	prepare an accounts receivable a schedule <u>of accounts receivable</u> ; and	More appropriate description
(I)	determine uncollectible accounts receivable: ; <u>and</u>	
<u>(J)</u>	<u>analyze the impact of accounts receivable on the balance sheet and cash flow statements.</u>	Get beyond the bookkeeping
(8)	The student maintains <u>investigates merchandise</u> inventory records to track the location, quantity, and value of current assets <u>to determine the impact on a company's financial position</u> . The student is expected to:	To emphasize the importance of inventory and the reason we're looking at it – the focus is only on inventory versus all current assets.
(A)	record inventory usage ; <u>discuss the importance of merchandise inventory to a corporation including the benefits of determining the most efficient inventory levels;</u>	Identify the significance of inventory as a current asset
(B)	process invoice of inventory <u>explain the difference between periodic and perpetual methods of calculating inventory quantities, including the use of inventory records, stock records, and point-of-sale terminals;</u>	Focus on how companies determine the quantity of inventory on-hand
(C)	process results of inventory and adjustments; and	Focus should be on value of inventory versus processing forms that are essentially non-existent in a computerized environment
(D) (C)	determine <u>calculate</u> the cost of inventory <u>including the First In, First Out (FIFO) method, Last In, First Out (LIFO) method, weighted average method, and the Gross Profit method of estimating inventory;</u> <u>and</u>	Specific valuation methods added
<u>(D)</u>	<u>analyze the results of valuing inventory under the four (4) methods in 8 (C) to determine the effect on Net Income and Gross Profit.</u>	Synthesize the results of calculations for decision making
(9)	The student completes payroll procedures to calculate, record, and distribute payroll earnings, <u>and analyzes the impact of these expenses on a company's financial position</u> . The student is expected to:	Get beyond the bookkeeping. Payroll involves more than employee earnings.
(A)	interpret time cards to calculate hours worked;	
(B)	maintain employee earnings records <u>and registers</u> ;	
(C)	calculate employee earnings such as <u>including</u> gross earnings, <u>withholdings</u> , and net pay;	All are required parts of employee

		earnings calculations for payroll
(D)	calculate employee paid withholdings <u>journalize salary expenses;</u>	Included in (C) / moved from (F)
(E)	prepare a payroll register <u>calculate employer payroll taxes;</u>	Included in (B) / moved from (G)
(F)	record the payroll in the general journal <u>journalize payroll tax expenses;</u>	Payroll tax expense is separate from salary expense
(G)	complete <u>discuss</u> payroll tax expense forms <u>and reports;</u> and	Consolidate G) and (H)
(H)	prepare federal, state, and local payroll tax reports.	
<u>(I)</u>	<u>analyze the impact of salary expenses and payroll tax expense on total expenses and net income.</u>	Understand the cost of employees to a business
(10)	The student investigates 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) <u>(10)</u>	The student completes performs specialized accounting functions to for a corporation, <u>and completes an accounting cycle.</u> The student is expected to:	Greater overview of expectation for what will be done with corporations.
<u>(A)</u>	discuss the nature of a consolidated financial statement; <u>analyze the articles of incorporation needed to start a corporation;</u>	In Accounting II / Moved from (C)
(B)	discuss communicate methods to account for <u>journalize</u> the issuance of stock;	Active task
(C)	analyze the articles of incorporation needed to start a corporation;	Moved to (A)
(D)	compute the number of shares of common stock to be issued on the conversion of convertible preferred stock;	Beyond the scope of this course
(E)	compute dividends payable on stock;	
(F)	complete a work sheet for a corporation <u>including calculating adjustments for depreciation, merchandise inventory, and federal taxes;</u>	Moved from (G) / added significant adjusting entries
(F)	prepare <u>financial statements a balance sheet</u> for a corporation, <u>including a balance sheet, an income statement, a statement of stockholders' equity, and a statement of changed in retained earnings.</u>	

(G)	complete a work sheet for a corporation;	Moved to (F)
(H)	prepare an income statement for a corporation;	Moved to ?????
(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) (11)	The student describes and abides by <u>the</u> laws and regulations in order to manage business operations and transactions in accounting. The student is expected to:	Reality based
(A)	describe regulation of accounting, including:	
(i)	identify <u>identifying</u> and analyze <u>analyzing</u> historical events that led to the regulation of accounting such as the fall of Enron; WorldCom; Tyco International, Ltd.; Adelphia Communications; and Arthur Andersen;	Word tense
(ii)	describe <u>describing</u> the impact of the Sarbanes-Oxley Act of 2002 on internal controls and financial reporting;	Word tense
(iii)	describe <u>describing</u> the role of the Securities and Exchange Commission in regulating the accounting industry; and	Word tense
(iv)	discuss <u>discussing</u> state regulation of the accounting industry; and .	Word tense
(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 <u>formulating</u> questions to analyze the issue;	Word tense
(ii)	gather <u>gathering</u> relevant sources;	Word tense
(iii)	evaluate <u>evaluating</u> the validity and reliability of those sources; and	Word tense
(iv)	determine <u>determining and verbalize</u> which laws and regulations apply.	Word tense
(13) (12)	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)	<u>engage in an accounting simulation covering an accounting cycle;</u>	Final project – full accounting cycle activity
(B) (C)	create a clear and coherent oral presentation that includes the use of correct grammar, spelling, <u>and</u>	

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§130.167. Accounting II (One Credit).		
TEKS with edits		Committee Comments
(a)	General requirements. This course is recommended for students in Grades 11-12. Prerequisite: Accounting I.	
(b)	Introduction.	Intro sections added Section 6 moved from specific skill to overview of course
(1)	<u>CTE instruction provides content aligned with challenging academic standards and relevant technical knowledge and skills for students to further their education and succeed in current or emerging professions.</u>	
(2)	<u>The Finance Career Cluster focuses on planning, services for financial and investment planning, banking, insurance, and business financial management.</u>	
(3)	<u>Accounting Pathway: Accounting encompasses careers that record, classify, summarize, analyze, and communicate a business's financial information/business transactions for use in management decision-making. Accounting includes such activities as bookkeeping, systems design, analysis, and interpretation of accounting information.</u>	
(4)	<u>Students are encouraged to participate in extended learning experiences such as career and technical student organizations and other leadership or extracurricular organizations.</u>	
(5)	<u>Statements that contain the word "including" reference content that must be mastered, while those containing the phrase "such as" are intended as possible illustrative examples.</u>	
(6)	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, financial and operational and cost accounting activities. Students formulate, interpret, <u>and communicate</u> financial information for use in management decision making.	
(7)	<u>The student uses equations, graphical representations, accounting tools, strategies, spreadsheet software and accounting systems in real-world situations to maintain, monitor, control, and plan the use of financial resources.</u>	
(c)	Knowledge and skills.	
(1)	<u>The student demonstrates professional standards/employability skills as required by business and industry. The student is expected to demonstrate:</u>	New employability skills
(A)	<u>effective oral and written communication skills;</u>	

(B)	<u>numerical and arithmetic applications;</u>	
(C)	<u>integrity and strong work ethic;</u>	
(D)	<u>attention to detail; and</u>	
(E)	<u>effective problem-solving.</u>	
(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.	Added to course introduction
(2)	The student performs accounting functions specific to a corporation. The student is expected to:	
(A)	discuss the nature of a consolidated financial statements;	Moved to G / Changed tense
(B) (A)	communicate methods to account for the issuance of stock; <u>analyze articles of incorporation</u>	Switched B & C for a better flow / Redundant
(C) (B)	analyze the articles of incorporation needed to start a corporation; <u>communicate methods used to account for the issuance of stock;</u>	Switched B & C for a better flow
(D) (C)	compute the number of shares of common stock to be issued on the conversion of convertible preferred stock;	
(E) (D)	compute dividends payable on stock;	
(F) (E)	<u>describe</u> understand that internal accounting controls <u>that</u> exist to ensure the proper recording of financial transactions;	Better Blooms terminology
(G) (F)	<u>produce financial statements</u> complete a work sheet for a corporation including work sheets, income statements, statements of stockholders' equity, balance sheets, cash flow statements, statements of changes in retained earnings; and	Consolidate into one item – G – All are related to financial statements
(H) (G)	<u>discuss the nature of consolidated financial statements;</u> generate an income statement for a corporation;	Moved for a better flow / Consolidate into one item – G – All are related to production of financial statements
(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) (H)	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.	Separate out the active task from the discussion of theory
(I)	<u>perform accounting functions specific to corporate tax accounting, including calculating corporate taxes, target profits, and preparing corporate tax returns.</u>	Identify specific corporate tax activities

(3)	The student applies related accounting procedures to the purchase and sale of bonds.	Included in (K)
(4) (3)	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; <u>and explain how this data impacts business decisions;</u>	Real world integration of mathematics and business decision making.
(C)	determine business liquidity <u>including current ratio, quick ratio, and cash ratio;</u> and	Industry standard calculations
(D)	calculate business profitability <u>including gross profit margin, operating profit margin, net profit margin, cash flow margin, return on assets, return on investment, and return on equity, and analyze the relationships between these ratios.</u>	Industry standard calculations
<u>(E)</u>	<u>compute business efficiency ratios including inventory turnover ratio, accounts receivable turnover ratio, accounts payable turnover ratio, average payment period, and average collection period.</u>	Industry standard calculations
<u>(F)</u>	<u>determine business operating ratio;</u>	Industry standard calculations
<u>(G)</u>	<u>calculate business capital structure ratios including debt-to-equity ratio, and debt service coverage;</u>	Industry standard calculations
<u>(H)</u>	<u>compare financial ratios to industry benchmarks and past performance to identify key areas that need to be evaluated and improved; and</u>	Added real world application of ratio analysis in business - higher Blooms activity
<u>(I)</u>	<u>formulate and present recommendations based on financial ratio comparisons, using spreadsheet software, graphs and charts, that identify business strategies and solutions needed to improve financial performance.</u>	Added real world application of ratio analysis in business - higher Blooms activity
(5) (4)	The student describes and employs fundamental managerial accounting concepts. The student is expected to:	Irrelevant
(A)	explain the nature of managerial cost accounting <u>including such as activities,</u> costs, and cost drivers;	More specificity
(B)	conduct cost-volume-profit analysis <u>including the use of linear regression data to determine the relationship between production and costs;</u>	Real world application of cost-volume 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 <u>describe</u> the nature of cost accounting decision making;	Better Blooms terminology
(H)	discuss the nature of cost accounting budgets;	

(I)	explain <u>and create the use of a variance analysis</u> for cost accounting ;	Added action item and broadened the application
(J)	discuss the nature of cost allocation;	
(K)	develop <u>compute standard</u> variable costs and <u>contribution margins</u> for a product;	Standard industry formula
<u>(L)</u>	<u>determine relevant costs in make or buy, and accept or reject decisions</u> ;	
(M)	<u>evaluate make or buy and accept or reject decisions to identify the best solutions for a business</u> ; calculate variances ;	Added real world activity identifying solutions/ Incorporated above
(N)	<u>prepare written recommendations that identify make or buy and accept or reject solutions using empirical data to support and justify conclusions</u> conduct variance analysis ;	Real world decision making process in business – communicating and justifying recommendations/ Included above
(O)	perform cost allocation functions; and	
<u>(P)</u>	prepare cost of production reports.	
(6) <u>(5)</u>	The student prepares budget reports to make business decisions. The student is expected to: <u>The student maintains, monitors, controls, and plans the use of financial resources to ensure business stability. The student is expected to:</u>	Section 5 added to focus on the financial accounting role in corporations
(A)	process preliminary collect budget detail; <u>describe fundamental financial concepts involved in the management of corporate finances, including the nature of depreciation, and cash flows;</u>	
(B)	prepare budget reports; and <u>analyze the need for efficient capital markets in corporate finance;</u>	
(C)	determine calculate relevant cost and revenue data for decision-making purposes. <u>explore the capital budgeting process;</u>	
<u>(D)</u>	<u>perform calculations necessary for capital budget decision making, including:</u>	
<u>(i)</u>	<u>calculating the initial investment associated with a proposed capital expenditure;</u>	
<u>(ii)</u>	<u>determining operating cash inflows; and</u>	
<u>(iii)</u>	<u>determining terminal cash flow;</u>	
<u>(E)</u>	<u>conduct cash-flow analysis to select an acceptable capital expenditure, including:</u>	
<u>(i)</u>	<u>interpreting the nature of relevant cash flow-analysis;</u>	
<u>(ii)</u>	<u>explaining the nature of the payback period;</u>	
<u>(iii)</u>	<u>calculating the payback period;</u>	

(iv)	<u>explaining the relationship between the internal rate of return and net present value;</u>
(v)	<u>calculating the net present value and future value; and</u>
(vi)	<u>calculating the internal rate of return;</u>
(F)	<u>explain the role of financial planning in corporate finance, including the financial planning process, short-term operating, and long-term strategic planning;</u>
(G)	<u>conduct cash planning, including:</u>
(i)	<u>explaining the use of cash budgets;</u>
(ii)	<u>coping with uncertainty in cash budgets;</u>
(iii)	<u>preparing a cash budget; and</u>
(iv)	<u>evaluating a cash budget;</u>
(H)	<u>conduct profit planning, including:</u>
(i)	<u>create pro forma statements in profit planning, including pro forma income statements and balance sheets;</u>
(I)	<u>define and describe the nature of short-term financial management;</u>
(J)	<u>explain the role of valuation in making appropriate financial decisions for a company, including:</u>
(i)	<u>discussing the role of project valuation in capital allocation decisions;</u>
(ii)	<u>comparing methods for valuing flexibility; and</u>
(iii)	<u>discussing the valuation implications in business finance;</u>
(K)	<u>use capital market securities to secure financing for a company, including, but not limited to:</u>
(i)	<u>analyzing models and methods to determine the best financing option for a company;</u>
(ii)	<u>analyzing the nature of corporate bonds;</u>
(iii)	<u>analyzing and determining the cost of long-term debt;</u>
(iv)	<u>describing the issuance of stock from a corporation;</u>
(v)	<u>comparing and contrasting preferred stock and common stock; and</u>
(vi)	<u>calculating the cost of preferred stock and common stock; and</u>
(vii)	<u>computing leverage and debt to equity ratios.</u>
(L)	<u>explain the role of dividends in corporate finance, including forms of dividends and reinvestment plans;</u>
(M)	<u>describe the effect of a firm's dividend decisions on its external financing requirements;</u>

(N)	<u>illustrate the residual theory of dividends;</u>	
(O)	<u>describe the impact of dividends on the value of the firm;</u>	
(P)	<u>explain the nature of a dividend policy;</u>	
(Q)	<u>explain factors to consider when deciding on the form of dividend distribution; and</u>	
(R)	<u>analyze ownership change transactions, including:</u>	
(i)	<u>comparing mergers and acquisitions;</u>	
(ii)	<u>explaining the nature of hostile takeovers;</u>	
(iii)	<u>discussing issues that arise from mergers and acquisitions;</u>	
(iv)	<u>explaining methods for evaluating potential merger/acquisition targets;</u>	
(v)	<u>evaluating potential merger and acquisition targets; and</u>	
(vi)	<u>analyzing the nature of restructurings.</u>	
(7) (6)	The student describes and abides by laws and regulations in order to manage business operations and transactions in accounting. The student is expected to:	Not realistic
(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	
(iv)	<u>the impact of International Financial Reporting Standards (IFRS) versus Generally Accepted Accounting Principles (GAAP).</u>	Standard of significance IFRS
(B)	identify and research a case study involving a currently unresolved fraud, compliance, or regulatory issue or possible scenario, including:	Unrestrict the research project
(i)	formulate <u>formulating</u> questions to analyze the issue;	Tense
(ii)	gather <u>gathering</u> relevant sources;	Tense
(iii)	evaluate <u>evaluating</u> the validity and reliability of those sources;	Tense
(iv)	determine and verbalize <u>identifying and communicating</u> which laws and regulations apply;	Tense
(v)	gather <u>gathering</u> data <u>that supports</u> supporting evidence of fraud or non-compliance with regulations; and	Tense
(vi)	create <u>creating</u> a clear and coherent presentation, including the use of correct grammar, spelling, punctuation, and citation of resource materials.	Tense

(8) (7)	The student accesses, processes, maintains, and evaluates, and disseminates financial information to assist business decision making. The student is expected to:	
(A)	discuss using <u>use accounting</u> technology <u>to acquire information</u> such as the use of data mining and integrating technology <u>automated financial programs</u> into accounting; and	Active task for students
(B)	create a clear and coherent oral and written presentation that includes the use of correct grammar, spelling, punctuation, and citation of resource materials <u>on a current topic in accounting using concepts learned in this course.</u>	More focused course topics

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§130.168. Financial Analysis (One Credit).

TEKS with edits		Committee Comments
(a)	General requirements. This course is recommended for students in Grades 11-12. Prerequisite: Accounting I.	
(b)	Introduction.	Added CTE Intro. **Course Pathway (2) for Financial Analysis does not exist. Further refined grammar and terminology
(1)	<u>CTE instruction provides content aligned with challenging academic standards and relevant technical knowledge and skills for students to further their education and succeed in current or emerging professions.</u>	
(2)	<u>The Finance Career Cluster focuses on planning, services for financial and investment planning, banking, insurance, and business financial management.</u>	
(3)	Course Pathway Students apply technical skills to develop knowledge and <u>technical</u> skills in the economical economic , 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.	
(4)	<u>Students are encouraged to participate in extended learning experiences such as career and technical student organizations and other leadership or extracurricular organizations.</u>	
(5)	<u>Statements that contain the word "including" reference content that must be mastered, while those containing the phrase "such as" are intended as possible illustrative examples.</u>	
(c)	Knowledge and skills.	
(1)	<u>The student demonstrates professional standards/employability skills as required by business and industry.</u> <u>The student is expected to demonstrate:</u>	New employability skills added
(A)	<u>effective oral and written communication skills;</u>	
(B)	<u>numerical and arithmetic applications;</u>	
(C)	<u>integrity and strong work ethic;</u>	
(D)	<u>attention to detail; and</u>	
(E)	<u>effective problem-solving.</u>	

(+) (2)	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 <u>examine</u> accounting procedures for tracking money flow and determining financial status through the preparation of financial statements.	More realistic
(2) (3)	<u>The student explores the use of financial resources. The student is expected to:</u> The student describes tools, strategies, and systems used to maintain, monitor, control, and plan the use of financial resources.	Identified Knowledge & Skills Statement
(3) (4)	The student demonstrates mathematics knowledge and skills required <u>when interpreting business operation documents.</u> to The student is expected to <u>apply data to solve a problem, construct charts, tables, and graphs and analyze data.</u> pursue the full range of postsecondary education and career opportunities. The student is expected to:	Refine terminology - No need to draw these individual pieces. They make more sense to be connected into the overall statement.
(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) (5)	The student manages <u>analyzes</u> financial resources to ensure <u>business</u> solvency. The student is expected to:	Enhance readability and interpretation of statement
(A)	describe the nature of budgets;	
(B)	explain the nature of operating budgets;	Included in (A)
(C) (B)	determine relationships among total revenue, marginal revenue, output, and profit;	
(D) (C)	calculate financial ratios;	
(E) (D)	interpret financial statements;	
(F) (E)	describe types of financial statement analyses such as ratio analysis and trend analysis; and	
(G) (F)	identify problems and issues with financial statements.	
(5) (6)	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	Needs to have a separate focus on

	performance, liquidity, working capital, bankruptcy prediction, long-term analysis, <u>coverage</u> , debt, cash flow indicator, <u>and</u> investment valuation; and discuss the use of benchmarks when analyzing ratios.	benchmarks - grammar
<u>(C)</u>	<u>discuss the use of benchmarks in analyzing ratios.</u>	See above
(6) <u>(7)</u>	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;	Repeated
(E) <u>(D)</u>	understand and interpret financial statement notes; and	
(F) <u>(E)</u>	evaluate results from aspect of management, creditors, and investors.	
(7) <u>(8)</u>	<u>The student examines the nature and scope of risk management in finance. The student is expected to:</u>	Business risk management is a significant factor in financial analysis
<u>(A)</u>	<u>discuss the nature of risk control, such as internal and external controls;</u>	
<u>(B)</u>	<u>explain ways to assess risk;</u>	
<u>(C)</u>	<u>describe the importance of auditing risk control;</u>	
<u>(D)</u>	<u>discuss risk-control systems</u>	
<u>(E)</u>	<u>describe the use of technology in risk management;</u>	
<u>(F)</u>	<u>discuss legal considerations affecting risk management.</u>	
<u>(G)</u>	<u>discuss the relationship between risk and business objectives; and</u>	
<u>(H)</u>	<u>evaluate a risk-management program.</u>	
(8) <u>(9)</u>	<u>The student develops an understanding and working knowledge of annual reports. The student is expected to:</u>	Major component of financial analysis studies
<u>(A)</u>	<u>discuss the objective of annual report;</u>	
<u>(B)</u>	<u>identify the components of an annual report;</u>	
<u>(C)</u>	<u>identify laws and regulations that are applied to annual reports; and</u>	
<u>(D)</u>	<u>create an annual report.</u>	
(9) <u>(10)</u>	<u>The student explores the role of ethics in finance. The student is expected to:</u>	Critical business topic
<u>(A)</u>	<u>explain the nature of business ethics;</u>	

(B)	<u>discuss the role of ethics in finance; and</u>	
(C)	<u>analyze the activities of Enron Corp. that led to the company's downfall.</u>	
(7) (11)	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 <u>financial</u> problem to develop creative solutions;	More specific
(C)	create and evaluate ideas, proposals, and solutions to <u>financial</u> problems;	More specific
(D)	generate new and creative ideas to solve problems by brainstorming possible solutions;	Included in (C)
(E) (D)	critically analyze <u>financial</u> information to determine <u>its</u> value to the problem-solving task; <u>and</u>	Start with a verb
(F)	guide individuals through the process of recognizing concerns and making informed decisions; and	Teacher's task
(G) (E)	identify and evaluate alternatives <u>financial solutions</u> using a variety of problem-solving and critical-thinking skills.	More specific
(12)	<u>The student performs a case study analysis of a specific company to apply the concepts learned in the course and present the findings. The student is expected to:</u>	Added course culminating activity
(A)	<u>summarize the company's background</u>	
(B)	<u>analyze the company's history, development, and growth;</u>	
(C)	<u>identify the company's strengths and weaknesses, internally;</u>	
(D)	<u>describe the external environment;</u>	
(E)	<u>evaluate the SWOT (strengths, weaknesses, opportunities, threats) analysis;</u>	
(F)	<u>examine the corporate and business level strategy;</u>	
(G)	<u>investigate the structure and control systems; and</u>	
(H)	<u>formulate recommendations.</u>	

<u>Financial Mathematics One Credit.</u>		<u>One Credit</u>
TEKS		Committee Comments
(a)	<u>General requirements.</u> This course is recommended for students in Grades 11-12. Prerequisite: Algebra I. This course will satisfy a mathematics requirement.	
(b)	<u>Introduction.</u>	<u>This class is about personal financial decisions and will satisfy a mathematics requirement.</u>
(1)	<u>CTE instruction provides content aligned with challenging academic standards and relevant technical knowledge and skills for students to further their education and succeed in current or emerging professions.</u>	
(2)	<u>The Finance Career Cluster focuses on planning, services for financial and investment planning, banking, insurance, and business financial management.</u>	
(3)	<u>Financial Mathematics is a course about personal money management. Students will apply critical-thinking skills to analyze personal financial decisions based on current and projected economic factors.</u>	
(4)	<u>Students are encouraged to participate in extended learning experiences such as career and technical student organizations and other leadership or extracurricular organizations.</u>	
(5)	<u>Statements that contain the word “including” reference content that must be mastered, while those containing the phrase “such as” are intended as possible illustrative examples.</u>	
(c)	<u>Knowledge and skills.</u>	
(1)	<u>The student demonstrates professional standards/employability skills as required by business and industry. The student is expected to:</u>	
(A)	<u>demonstrate an understanding of appropriate communication with customers, employers, and coworkers through verbal, nonverbal, digital means;</u>	
(B)	<u>demonstrate an understanding of the use of business etiquette including verbal and dining etiquette; and</u>	
(C)	<u>demonstrate an understanding of appropriate customer service such as building customer relationships and resolving customer complaints.</u>	
(2)	<u>The student demonstrates an understanding of various forms of financial exchange including cash, checks, credit cards, debit cards, and electronic funds transfers.</u>	
(B)	<u>calculate the time value of money;</u>	
(3)	<u>The student demonstrates an understanding of employment earnings. The student is expected to:</u>	
(A)	<u>identify sources of income including wages and salaries, interest, rent, dividends, and capital gains;</u>	
(B)	<u>compare common employee benefits such as health insurance and retirement plans;</u>	

(C)	<u>calculate gross pay;</u>	
(D)	<u>calculate payroll deductions including federal taxes, state taxes, and city taxes using current tax rates;</u>	
(E)	<u>evaluate the reasons for federal income taxation, Social Security taxation, and Medicare taxation including earnings limitations;</u>	
(F)	<u>calculate net pay; and</u>	
(G)	<u>compare and contrast between independent contractor earnings and employee earnings including tax requirements, tax forms (W-2, W-4, 1099, and Form 941), and benefit requirements.</u>	
(4)	<u>The student will demonstrate an understanding of the various federal taxes. The student is expected to:</u>	
(A)	<u>calculate federal income taxes including the completion of a 1040EZ using current rates;</u>	
(B)	<u>calculate capital gains tax using current rates;</u>	
(C)	<u>calculate self-employment tax using current rates;</u>	
(D)	<u>analyze estate and inheritance tax using current rates; and</u>	
(E)	<u>analyze gift tax using current rates.</u>	
(5)	<u>The student will demonstrate an understanding between the various financial institutions and accounts. The student is expected to:</u>	
(A)	<u>compare and contrast savings accounts, checking accounts, certificates of deposits, and other interest-bearing accounts;</u>	
(B)	<u>calculate simple interest;</u>	
(C)	<u>calculate compound interest;</u>	
(D)	<u>analyze a bank statement for accuracy; and</u>	
(E)	<u>reconcile a bank statement.</u>	
(6)	<u>The student will demonstrate an understanding of the various types of credit. The student is expected to:</u>	
(A)	<u>examine the advantages and disadvantages of loans including student loans,</u>	
(B)	<u>assess the advantages and disadvantages of credit cards;</u>	
(C)	<u>calculate the cost of using credit cards including various financial fees;</u>	
(D)	<u>compare and contrast a bank loan, a credit union loan and a pay-day loan;</u>	
(E)	<u>evaluate the process for a bank loan or a credit union loan; and</u>	
(F)	<u>analyze credit scores and understand the meanings of the scores.</u>	
(7)	<u>The student will demonstrate an understanding of home purchases. The student is expected to:</u>	

(A)	<u>calculate a mortgage payment with various additional principal payments;</u>	
(B)	<u>calculate property taxes;</u>	
(C)	<u>calculate mortgage insurance;</u>	
(D)	<u>calculate homeowner's insurance and deductibles including property damage insurance, liability insurance, flood insurance, and earthquake insurance;</u>	
(E)	<u>calculate closing costs;</u>	
(F)	<u>calculate mortgage tax deductions; and</u>	
(G)	<u>understand the usage of rental property for investment.</u>	
(8)	<u>The student will demonstrate an understanding between an automobile purchase and an automobile lease. The student is expected to:</u>	
(A)	<u>calculate a monthly payment;</u>	
(B)	<u>calculate sales tax and registration tax;</u>	
(C)	<u>calculate an amortization payment table with various additional principal payments;</u>	
(D)	<u>calculate a lease payment;</u>	
(E)	<u>compare the purchase of an automobile to a lease of an automobile</u>	
(F)	<u>calculate depreciation of an automobile using straight-line depreciation and double-declining balance depreciation; and</u>	
(G)	<u>calculate automobile insurance.</u>	
(9)	<u>The student will demonstrate an understanding of stocks, bonds, and mutual funds as investments. The student is expected to:</u>	
(A)	<u>calculate the cost of buying and selling of stocks and mutual funds, stock dividend yield, price-earnings ratio, return on investment, earnings per share, net asset value; and</u>	
(B)	<u>calculate the cost of buying and selling of bonds; bond yield, and bond interest payment.</u>	
(10)	<u>The student will demonstrate an understanding of a diverse investment portfolio. The student is expected to create a diverse investment portfolio.</u>	
(11)	<u>The student will demonstrate an understanding of various types of insurance including life insurance, health insurance, disability insurance, and cancer insurance. The student is expected to:</u>	
(A)	<u>calculate the cost of a life insurance policy including a term life insurance policy and permanent life insurance policies;</u>	
(B)	<u>identify the type of life insurance needed and estimate the amount of life insurance needed;</u>	

(C)	<u>calculate the cash value of a permanent life insurance policy;</u>	
(D)	<u>calculate the cost of health insurance including co-payments and out-of-pocket expenses;</u>	
(E)	<u>calculate the cost of disability insurance; and</u>	
(F)	<u>calculate the cost of cancer insurance.</u>	
(12)	<u>The student will demonstrate an understanding of IRA's and 401K's. The student is expected to calculate IRA and 401K tax savings.</u>	
(13)	<u>The student will demonstrate an understanding of a fixed pension, a variable pension, social security, and an annuity. The student is expected to identify an annuity and to calculate the future value of an annuity.</u>	
(14)	<u>The student will demonstrate an understanding of wills and trusts.</u>	
(15)	<u>The student will demonstrate an understanding of the budgeting process. The student will create, balance, and evaluate a comprehensive personal budget including fixed expenses and variable expenses.</u>	
(16)	<u>The student will demonstrate an understanding of identity theft and will create a plan for prevention of identity theft and for the reporting identify theft.</u>	
(17)	<u>The student will demonstrate an understanding for a postsecondary plan. The student is expected to:</u>	
(A)	<u>understand the educational, military, and/or current job opportunities;</u>	
(B)	<u>create a postsecondary plan that includes application requirements, testing requirements, certification requirements, associated deadlines, associated costs including living expenses, job prospects and opportunities, beginning earnings and expected future earnings; and</u>	
(C)	<u>create a resume and a cover letter.</u>	

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§130.162. Money Matters (One-Half to One Credit).		Committee changes credit to one-half credit
TEKS with edits		Committee Comments
(a)	General requirements. This course is recommended for students in Grades 9-12. Recommended prerequisite: Principles of Business, Marketing, and Finance.	
(b)	Introduction.	
(1)	<u>CTE instruction provides content aligned with challenging academic standards and relevant technical knowledge and skills for students to further their education and succeed in current or emerging professions.</u>	
(2)	<u>The Finance Career Cluster focuses on planning, services for financial and investment planning, banking, insurance, and business financial management.</u>	
(3)	Students will investigate global economies with emphasis on the free enterprise system and its impact on consumers and businesses. <u>Students will investigate money management from a personal financial perspective.</u> Students apply critical-thinking skills to analyze financial options based on current and projected economic factors. Students will gain knowledge and skills necessary to <u>establish short-term and long-term financial goals.</u> based on those options. Students will determine <u>examine</u> various methods of achieving <u>short-term</u> and long-term financial <u>goals through various methods such as</u> investing, tax planning, asset allocating, risk management, retirement planning, and estate planning.	
(4)	<u>Students are encouraged to participate in extended learning experiences such as career and technical student organizations and other leadership or extracurricular organizations.</u>	
(5)	<u>Statements that contain the word “including” reference content that must be mastered, while those containing the phrase “such as” are intended as possible illustrative examples.</u>	
(c)	Knowledge and skills.	
(1)	<u>The student demonstrates professional standards/employability skills as required by business and industry. The student is expected to:</u>	
(A)	<u>demonstrate an understanding of appropriate communication with customers, employers, and coworkers through verbal, nonverbal, digital means;</u>	
(B)	<u>demonstrate an understanding of the use of business etiquette including verbal and dining etiquette; and</u>	
(C)	<u>demonstrate an understanding of appropriate customer service such as building customer relationships and resolving customer complaints.</u>	
(+) (2)	The student uses career planning concepts, tools, and strategies to explore, obtain, and develop a career in the area of financial planning. financial plan. The student is expected to:	
(A)	discuss the nature and benefits of financial planning; <u>and</u>	

(B)	discuss the role of ethics and personal responsibility in financial planning.	
(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 manger, treasurer, and chief financial officer.	Beyond the scope of this course
<u>(3)</u>	<u>The student will demonstrate an understanding for a postsecondary plan. The student is expected to:</u>	The student needs to develop a career plan.
<u>(A)</u>	<u>create a postsecondary plan that includes various options including four-year colleges, two-year colleges, technical schools, and/or current job opportunities;</u>	
<u>(B)</u>	<u>create a postsecondary plan that includes application requirements, testing requirements, certification requirements, associated deadlines, associated costs including living expenses, job prospects and opportunities, beginning earnings and expected future earnings;</u>	
<u>(C)</u>	<u>create a résumé and a cover letter; and</u>	
<u>(D)</u>	<u>understand and demonstrate the differences between not-for-profit schools and for-profit schools.</u>	
(2) <u>(4)</u>	The student demonstrates an understanding of the fundamental principles of money. The student is expected to:	
<u>(A)</u>	explain forms of financial exchange, including cash, credit <u>cards</u> , debit <u>cards</u> , and electronic funds transfer;	Specific
<u>(B)</u>	compare and contrast various types of currency, including paper money, coins, banknotes, government bonds, and treasury notes;	
<u>(C)</u>	identify functions of money, including medium of exchange, unit of measure, and store of value;	
<u>(D)</u>	describe sources of income, including wages and salaries, interest, rent, dividends, capital gains, and transfer payments;	
<u>(E)</u>	explain the time value of money; <u>and</u>	add “including present value and future value.”
<u>(F)</u>	discuss the purposes and importance of credit; and	
(G)	explain legal responsibilities associated with financial exchanges.	beyond the scope of this course
(3) <u>(5)</u>	The student describes <u>examines</u> economic systems. The student is expected to:	
(A)	compare the types of economic systems and market structures;	beyond the scope of this course
(B) <u>(A)</u>	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;	beyond the scope of this course
(D) (B)	identify factors affecting profit, revenue, and expenses; <u>and</u>	
(E)	determine factors affecting business risk;	beyond the scope of this course
(F)	explain the concept of competition;	beyond the scope of this course
(G)	describe market structures; and	beyond the scope of this course
(H) (C)	understand the rights and responsibilities of consumers within various economic systems.	
(4) (6)	The student explains the impact of government on business activities within a free enterprise system. The student examines personal financial activities and the role of government. The student is expected to:	better wording
(A)	determine the relationship between government and business;	beyond the scope of this course
(B) (A)	describe the nature of <u>analyze the importance and purpose of</u> taxes;	
(C) (B)	discuss the nature of <u>analyze</u> monetary policy <u>and fiscal policy</u> ;	
(D) (C)	discuss <u>analyze</u> the supply and demand for money; <u>and</u>	
(E) (D)	explain <u>analyze</u> the role of the Federal Reserve System; <u></u>	
(F)	explain the concept of fiscal policies; and	repeated TEK
(G)	describe the effects of fiscal and monetary policies.	repeated TEK
(5)	The student discusses economic concepts impacting finance. The student is expected to:	beyond the scope of this course
(A)	distinguish between economic goods and services;	beyond the scope of this course
(B)	analyze the impact of technological innovations on the marketing and distribution of goods and services;	beyond the scope of this course
(C)	explain the concept of economic resources;	beyond the scope of this course
(D)	describe the concepts of economics and economic activities;	beyond the scope of this course
(E)	determine economic utilities created by business activities;	beyond the scope of this course
(F)	explain the relationship between supply and demand; and	beyond the scope of this course
(G)	describe the functions of prices in markets.	beyond the scope of this course
(6) (7)	The student describes discusses economic indicators impacting <u>personal</u> <u>financial</u> decision making. The student is expected to:	
(A)	describe the concept of price stability as an economic measure;	beyond the scope of this course
(B) (A)	discuss <u>analyze</u> the measure of consumer spending as an economic indicator;	

(C) (B)	discuss <u>analyze</u> the impact of a nation's unemployment rates;	
(D) (C)	explain <u>analyze</u> the concept of Gross Domestic Product;	
(E) (D)	discuss <u>analyze</u> the economic impact of inflation on business <u>personal financial decision making</u> ;	
(F) (E)	Explain <u>analyze</u> unemployment and inflation tradeoffs;	
(G) (F)	explain <u>analyze</u> the economic impact of interest rate fluctuations; and	
(H) (G)	determine <u>analyze</u> the impact of business cycles on business-activities <u>personal financial decision making</u> .	
(7) (8)	The student determines <u>analyze</u> the impact of global/international <u>trade activities</u> on business-decision making <u>personal financial decision making</u> ;. The student is expected to:	
(A)	explain the nature of global trade <u>examine international current events as it relates to personal financial decision making</u> ;	need current event examples
(B)	describe the determinants of exchange rates and their effects on the domestic economy ; <u>examine currency exchange rates</u> ; and	
(C)	discuss the impact of cultural and social environments on global trade ; and	
(D) (C)	explain labor issues associated with global trade ; <u>examine domestic and international labor issues as related to personal financial decision making</u> .	
(8)	The student employs sociological knowledge to facilitate finance activities. The student is expected to:	beyond the scope of this course
(A)	analyze and interpret complex societal issues, events, and problems ;	beyond the scope of this course
(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 ;	beyond the scope of this course
(C)	reach reasoned conclusions ;	beyond the scope of this course
(D)	examine social beliefs, ethics, influences, and behavior ;	beyond the scope of this course
(E)	analyze group dynamics ; and	beyond the scope of this course
(F)	assess human behavior, including the impact of technological innovations or communication .	beyond the scope of this course
(9)	The student applies psychological knowledge to facilitate finance activities. The student is expected to:	beyond the scope of this course
(A)	recognize factors influencing perception ;	beyond the scope of this course
(B)	identify sources of attitude formation ;	beyond the scope of this course
(C)	assess methods used to evaluate attitudes ;	beyond the scope of this course
(D)	identify social and cultural strata ;	beyond the scope of this course

(E)	determine behavioral effects of social and cultural strata;	beyond the scope of this course
(F)	analyze effects of others on individual behavior;	beyond the scope of this course
(G)	predict likelihood of conformity and obedience;	beyond the scope of this course
(H)	determine significance of aggression;	beyond the scope of this course
(I)	recognize factors affecting personality;	beyond the scope of this course
(J)	evaluate the nature of change over a lifetime;	beyond the scope of this course
(K)	identify sources of stress;	beyond the scope of this course
(L)	detail reactions to stress;	beyond the scope of this course
(M)	employ strategies for dealing with stress;	beyond the scope of this course
(N)	investigate factors affecting motivation;	beyond the scope of this course
(O)	analyze cues to basic drives and motives; and	beyond the scope of this course
(P)	analyze the development of motives.	beyond the scope of this course
(10)	The student analyzes personal financial needs and goals based on current and projected economic factors. The student is expected to:	moved to new section
(A)	explain the nature of financial needs, including college, retirement, wills, and insurance;	moved to new section
(B)	set personal financial goals; and	moved to new section
(C)	justify how those personal financial goals are realistic within the current and projected economy.	moved to new section
(11) (9)	The student manages personal finances examines how personal financial decisions are used 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)	examine explain the nature of tax liabilities including the completion of W-4;	
(D)	analyze interpret a pay stub;	
(E)	read interpret and reconcile bank statements;	
(F)	maintain financial records;	
(G)	demonstrate the wise use of credit;	
(H) (G)	validate a credit history; evaluate credit scores;	
(I) (H)	protect against identity theft; and utilize identify theft protection measures; and	

(+) (I)	prepare personal income tax forms including the 1040E <u>completing 1040EZ with a W-2 form and current tax tables.</u>	
(+2) (10)	The student <u>understands the purposes</u> describes the use of financial service providers. The student is expected to:	
(A)	describe types of financial service providers <u>including banks and credit unions;</u>	
(B)	Discuss considerations in selecting a <u>evaluate</u> financial service providers <u>based on selection criteria such as location, interest rates, and benefits;</u>	
(C)	<u>analyze financing needed for long-term personal assets including home and auto payments;</u>	
(D)	<u>explain loan evaluation criteria used by lending institutions;</u>	
(E)	<u>summarize the components of a loan application package;</u>	
(F)	<u>calculate a home loan payment schedule;</u>	
(G)	<u>calculate an automobile loan payment schedule; and</u>	
(H)	<u>understand the risk of using a payday loan and title loan.</u>	
(+3) (11)	The student compares and contrasts <u>identifies various</u> 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; <u>evaluate different types of investments such stocks, bonds, and property;</u>	
(B)	explain the nature of capital investment; and	repeated TEK or beyond scope of the class
(+) (B)	establish <u>evaluate</u> investment goals and objectives <u>as it relates to risk tolerance;</u>	
(C)	<u>investigate the opportunities and costs of postsecondary education;</u>	
(D)	<u>investigate long-term needs and financial goals including retirement and</u>	
(E)	<u>investigate the factors that affect the value of investments.</u>	
(+4) (12)	The student identifies potential business threats and opportunities to protect a business's financial well-being. <u>various methods to manage personal risk.</u> The student is expected to:	
(A)	describe <u>understand</u> the concept of insurance;	
(B)	<u>explore the reasons for obtaining personal insurance coverage including health insurance, disability insurance, life insurance, cancer, and long-term care;</u>	
(C)	<u>explore the reasons for obtaining property insurance coverage including homeowner's, personal liability, renter's, flood, earthquake and auto insurance, and</u>	

(B)	simulate obtaining insurance coverage	
(C) (D)	simulate <u>understand the insurance claim settlement process</u> settling insurance losses;	
(D)	identify speculative business risks; and	repeated TEK or beyond scope of the class
(E)	explain the nature of risk management.	repeated TEK or beyond scope of the class
(15)	The student simulates the obtaining of business credit and controlling its use. The student is expected to:	repeated TEK or beyond scope of the class
(A)	explain the purposes and importance of obtaining business credit;	repeated TEK or beyond scope of the class
(B)	analyze critical banking relationships;	repeated TEK or beyond scope of the class
(C)	make critical decisions regarding acceptance of bank cards;	repeated TEK or beyond scope of the class
(D)	determine financing needed for business operations;	repeated TEK or beyond scope of the class
(E)	identify risks associated with obtaining business credit;	repeated TEK or beyond scope of the class
(F)	explain sources of financial assistance;	repeated TEK or beyond scope of the class
(G)	explain loan evaluation criteria used by lending institutions; and	repeated TEK or beyond scope of the class
(H)	simulate completing a loan application package.	repeated TEK or beyond scope of the class
(16)	The student demonstrates an understanding of methods to manage financial resources to ensure solvency. The student is expected to:	repeated TEK or beyond scope of the class
(A)	describe the nature of budgets;	repeated TEK or beyond scope of the class
(B)	explain the nature of operating budgets;	repeated TEK or beyond scope of the class
(C)	describe the nature of cost-benefit analysis;	repeated TEK or beyond scope of the class
(D)	determine relationships among total revenue, marginal revenue, output, and profit;	repeated TEK or beyond scope of the class
(E)	simulate developing a company department budget;	repeated TEK or beyond scope of the

		class
(F)	forecast sales;	repeated TEK or beyond scope of the class
(G)	calculate financial ratios;	repeated TEK or beyond scope of the class
(H)	interpret financial statements;	repeated TEK or beyond scope of the class
(I)	describe types of financial statement analysis, including ratio analysis and trend analysis; and	repeated TEK or beyond scope of the class
(J)	identify problems within financial statements.	repeated TEK or beyond scope of the class
(17)	The student understands the importance of financial markets in business. The student is expected to:	repeated TEK or beyond scope of the class
(A)	describe the role of financial institutions; and	repeated TEK or beyond scope of the class
(B)	explain types of financial markets, including money markets, securities markets, property market, and market for risk transfer.	repeated TEK or beyond scope of the class
(18)	The student develops an understanding of the nature of asset values. The student is expected to:	repeated TEK or beyond scope of the class
(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	repeated TEK or beyond scope of the class
(B)	read and interpret the value of an asset.	repeated TEK or beyond scope of the class
(19)	The student uses sources of securities information to make informed financial decisions. The student is expected to:	repeated TEK or beyond scope of the class
(A)	describe sources of securities information, charts, and graphs; and	repeated TEK or beyond scope of the class
(B)	read and interpret securities tables.	repeated TEK or beyond scope of the class
(20)	The student simulates using debt and equity capital to raise funds for business growth. The student is expected to:	repeated TEK or beyond scope of the class
(A)	describe the financial needs of a business at different stages of development;	repeated TEK or beyond scope of the class
(B)	discuss factors to consider in choosing between debt and equity capital; and	repeated TEK or beyond scope of the class

(C)	explain the significance of capital structure.	repeated TEK or beyond scope of the class
(13)	<u>The student will demonstrate an understanding for a postsecondary plan. The student is expected to:</u>	
(A)	<u>understand the educational, military, and/or current job opportunities;</u>	
(B)	<u>create a postsecondary plan that includes application requirements, testing requirements, certification requirements, associated deadlines, associated costs including living expenses, job prospects and opportunities, beginning earnings and expected future earnings; and</u>	
(C)	<u>create a resume and a cover letter.</u>	

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§130.164. Securities and Investments (One-Half to One Credit).		One-half credit
TEKS with edits		Committee Comments
(a)	General requirements. This course is recommended for students in Grades 10-12. Recommended prerequisite: Principles of Business, Marketing, and Finance.	
(b)	Introduction.	Introduction is to be reviewed at a later time
(1)	<u>CTE instruction provides content aligned with challenging academic standards and relevant technical knowledge and skills for students to further their education and succeed in current or emerging professions.</u>	
(2)	<u>The Finance Career Cluster focuses on planning, services for financial and investment planning, banking, insurance, and business financial management.</u>	
(3)	Students will <u>understand the</u> 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.	
(4)	<u>Students are encouraged to participate in extended learning experiences such as career and technical student organizations and other leadership or extracurricular organizations.</u>	
(5)	<u>Statements that contain the word “including” reference content that must be mastered, while those containing the phrase “such as” are intended as possible illustrative examples.</u>	
(c)	Knowledge and skills.	
(1)	<u>The student demonstrates professional standards/employability skills as required by business and industry. The student is expected to:</u>	
(A)	<u>demonstrate an understanding of appropriate communication with customers, employers, and coworkers through verbal, nonverbal, digital means;</u>	
(B)	<u>demonstrate an understanding of the use of business etiquette including verbal and dining etiquette; and</u>	
(C)	<u>demonstrate an understanding of appropriate customer service such as building customer relationships and resolving customer complaints.</u>	
(2)	The student describes and abides by laws and regulations in order to manage <u>personal and</u> 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 <u>the role of the Securities and</u>	

	<u>Exchange Commission;</u>	
(i) (B)	<u>understand the</u> legal and ethical considerations in buying and selling securities; <u>and</u>	
(ii) (C)	<u>understand the</u> 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	beyond the scope of this class
(iv)	regulation of extensions of credit in the securities industry;	beyond the scope of this class
(v)	the nature of the Securities Investor Protection Corporation;	beyond the scope of this class
(vi)	taxation issues that impact securities and investments; and	beyond the scope of this class
(vii)	the nature of the Chartered Financial Analysts Institute Code of Ethics and Professional Conduct.	beyond the scope of this class
(B)	describe fundamental concepts of real estate law, including:	beyond the scope of this class
(i)	state licensure laws for the real estate industry;	beyond the scope of this class
(ii)	laws pertaining to the conveyance of real estate;	beyond the scope of this class
(iii)	the impact of local zoning regulations on the real estate industry; and	beyond the scope of this class
(iv)	the nature of a real estate sales contract; and	beyond the scope of this class
(C)	explain the nature and scope of real estate titling, including:	beyond the scope of this class
(i)	methods of transferring real estate titles;	beyond the scope of this class
(ii)	reasons for title work;	beyond the scope of this class
(iii)	the nature of title insurance; and	beyond the scope of this class
(iv)	types of real estate property titling such as sole ownership, joint tenancy with right of survivorship, and tenancy in common.	beyond the scope of this class
(2) (3)	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 <u>analyze</u> diversification strategies;	
(D)	understand factors to consider when selecting investments;	
(E)	relate <u>analyze</u> information that can be obtained from financial statements and annual reports;	
(F)	communicate the nature of <u>examine</u> a mutual fund prospectus;	

(G)	describe fundamental <u>interpret</u> analysis used in making investment decisions;	
(H)	relate the nature of technical analysis;	
(H) (H)	verbalize <u>discuss</u> strategies for selecting investments;	
(I) (I)	identify performance measurements for venture capital; and	
(K) (J)	describe investment analysis and selection theory, including the Modern Portfolio Theory, Capital Asset Pricing Model, and the Arbitrage Pricing Theory.	
(3) (4)	The student select investments for clients. <u>The student identifies investments.</u> The student is expected to:	
(A)	interpret financial ratios significant to investors <u>including price earnings ratio</u> ;	
(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; <u>calculate bond present value and future value; and</u>	
(E)	select investments based on fundamental <u>financial</u> analysis <u>such as financial ratios.</u>	
(F)	appraise property to determine its value;	beyond the scope of this class
(G)	understand the real estate valuation process;	beyond the scope of this class
(H)	conduct a real estate appraisal;	beyond the scope of this class
(I)	create a written real estate appraisal report using standard writing conventions; and	beyond the scope of this class
(J)	appraise investment property.	beyond the scope of this class
(4) (5)	The student monitors, plans, and controls day to day securities and investments operations to ensure continued business functioning. <u>The student understands security and investment operations.</u> The student is expected to:	
(A)	implement <u>examine</u> securities and investments operations activities;	
(B)	discuss the functions of operations in departments' securities and investments <u>office</u> ;	
(C)	perform <u>examine</u> the buy and sell functions of a brokerage <u>firm clerk and</u> ;	
(D)	post transaction data to accounting ledgers and certificate records;	beyond the scope of this class
(E)	schedule the delivery of customer securities; and	beyond the scope of this class
(F) (D)	<u>discuss and</u> calculate commissions.	
(5)	The student uses career planning concepts, tools, and strategies to explore, obtain, and develop a securities	Moved

	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; <u>and</u>	
(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; <u>;</u>	
(D) (7)	demonstrate an understanding of:- <u>The student understand investments and their relationships to the economy.</u> <u>The student is expected to:</u>	
(i) (A)	<u>evaluate</u> the environments in which securities and investments services are offered, including securities sales agents, securities and investment firms, and securities markets;	
(ii) (B)	<u>evaluate</u> causes of stock price fluctuations;	
(iii) (C)	<u>evaluate</u> the relationship between bond prices and yields;	
(iv) (D)	<u>evaluate</u> the role of investment banking in the primary marketplace; and	
(v) (E)	the nature of <u>evaluate</u> margin accounts, short sales, market timing, and international strategies; <u>;</u>	
(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;	beyond the scope of this class
(F)	describe real estate sales functions such as listing of property, methods of advertising, showing property, and closing and settlement; and	beyond the scope of this class
(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.	beyond the scope of this class
(7) (8)	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 <u>explain evaluate</u> securities and investments products and their benefits; including the nature of such <u>as</u> stocks, dividends, stock splits, options strategies, hedge funds, futures, bonds, mutual funds, venture capital, real estate, 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:	beyond the scope of this class

(A)	conduct lectures, seminars, and forums to attract potential clients;	beyond the scope of this class
(B)	schedule appointments with prospective clients;	beyond the scope of this class
(C)	conduct mock client interviews;	beyond the scope of this class
(D)	gather information on the client's finances and investment goals;	beyond the scope of this class
(E)	organize information on the client's finances and investment goals;	beyond the scope of this class
(F)	synthesize information on the client's finances and investment goals;	beyond the scope of this class
(G)	use statistical and probabilistic skills for planning, investigating, collecting, analyzing, and interpreting data;	beyond the scope of this class
(H)	determine investment strategies for meeting the client's investment goals;	beyond the scope of this class
(I)	develop a written investment recommendation for the client using standard writing conventions;	beyond the scope of this class
(J)	design and present sales presentation materials;	beyond the scope of this class
(K)	present written investment recommendation to the client using standard writing conventions;	beyond the scope of this class
(L)	convert objections into selling points;	beyond the scope of this class
(M)	close the securities and investment sale;	beyond the scope of this class
(N)	complete the order ticket according to the client's instructions;	beyond the scope of this class
(O)	enter the order;	beyond the scope of this class
(P)	follow up on the completion of the transaction; and	beyond the scope of this class
(Q)	monitor the client's portfolio.	beyond the scope of this class
(9)	<u>The student will demonstrate an understanding for a postsecondary plan. The student is expected to:</u>	
(A)	<u>understand the educational, military, and/or current job opportunities;</u>	
(B)	<u>create a postsecondary plan that includes application requirements, testing requirements, certification requirements, associated deadlines, associated costs including living expenses, job prospects and opportunities, beginning earnings and expected future earnings; and</u>	
(C)	<u>create a resume and a cover letter.</u>	

§130.165. Insurance Operations (One-Half to One Credit).		One half credit
TEKS with edits		Committee Comments
(a)	General requirements. This course is recommended for students in Grades 10-12. Recommended prerequisite: Principles of Business, Marketing, and Finance.	
(b)	Introduction.	
(1)	<u>CTE instruction provides content aligned with challenging academic standards and relevant technical knowledge and skills for students to further their education and succeed in current or emerging professions.</u>	
(2)	<u>The Finance Career Cluster focuses on planning, services for financial and investment planning, banking, insurance, and business financial management.</u>	
(3)	Students will understand the 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.	
(4)	<u>Students are encouraged to participate in extended learning experiences such as career and technical student organizations and other leadership or extracurricular organizations.</u>	
(5)	<u>Statements that contain the word “including” reference content that must be mastered, while those containing the phrase “such as” are intended as possible illustrative examples.</u>	
(c)	Knowledge and skills.	
(1)	<u>The student demonstrates professional standards/employability skills as required by business and industry. The student is expected to:</u>	
(A)	<u>demonstrate an understanding of appropriate communication with customers, employers, and coworkers through verbal, nonverbal, digital means;</u>	
(B)	<u>demonstrate an understanding of the use of business etiquette including verbal and dining etiquette; and</u>	
(C)	<u>demonstrate an understanding of appropriate customer service such as building customer relationships and resolving customer complaints.</u>	
(1)-(2)	The student communicates an appreciation of the insurance industry and its role in society. The student has	

	an understanding of the insurance industry. The student is expected to:	
(A)	describe <u>examine</u> the nature of the insurance industry, including liability insurance and automobile insurance coverage;	moved
(B)	<u>evaluate components of automobile insurance coverage</u>	
(B) (C)	discuss <u>evaluate</u> components of homeowners' insurance <u>and renter's insurance including a personal umbrella liability policy;</u>	
(C) (D)	explain components <u>evaluate the purpose</u> of flood <u>insurance</u> and earthquake insurance;	
(D) (E)	<u>evaluate the purpose</u> identify components of commercial property insurance;	
(E) (F)	<u>evaluate the purpose</u> explain the nature of commercial liability insurance;	
(F) (G)	describe the nature <u>evaluate the purpose</u> of title insurance;	
(G) (H)	define the nature of <u>evaluate the purpose of</u> health insurance, and long-term care insurance, <u>and cancer insurance;</u>	
(H) (I)	compare and contrast the nature of Medicare and Medicaid;	
(I) (J)	discuss the nature of <u>investigate the purpose of</u> unemployment insurance;	
(J) (K)	<u>evaluate the purpose</u> identify the nature of worker's compensation insurance;	
(K) (L)	<u>evaluate the purpose</u> describe the nature of disability insurance;	
(L) (M)	<u>compare and contrast the purpose</u> explain the nature of life insurance <u>including term, whole, and group;</u>	
(M) (N)	summarize the role of life insurance in investment and estate planning;	
(N) (O)	discuss <u>compare and contrast the methods that</u> manner in which insurance companies <u>use to</u> generate income <u>including collection of premiums and investing activities;</u>	
(O) (P)	explain <u>evaluate</u> the use of state risk pool programs; and	
(P) (Q)	discuss <u>summarize</u> trends in the insurance industry such as hacker insurance, <u>pet insurance, travel insurance,</u> and identity theft insurance.	
(2) (3)	The student describes <u>explores</u> careers in insurance. The student is expected to:	
(A)	explore education, licensing, and certification requirements; and	
(B)	discuss <u>understand</u> the role and responsibilities of <u>insurance professionals such as</u> agents, an underwriters, insurance sales representative, <u>actuaries, actuary,</u> claims personnel, and a loss control specialist <u>investigators.</u>	
(3) (4)	The student <u>examines</u> defines regulations that ensure compliance adherence to insurance industry	

	regulations. The student is expected to:	
(A)	communicate <u>evaluate</u> the ethical and social responsibilities in the field of insurance;	
(B)	discuss <u>summarize</u> federal and state regulations governing the insurance industry;	
(C)	explain <u>assess</u> the significance of the Consolidated Omnibus Budget Reconciliation Act (<u>COBRA</u>); and	
(D)	discuss <u>assess</u> Title I of the Health Insurance Portability and Accountability Act (<u>HIPAA</u>) <u>including Title I and Title II</u> ; and	
(E)	<u>assess the Patient Protection and Affordable Care Act.</u>	
(4) <u>(5)</u>	The student explains legal concepts pertinent to the insurance industry. The student is expected to:	
(A)	discuss fundamental <u>examine</u> legal principles that pertain to insurance such as indemnity, insurable interest, subrogation, and utmost good faith; and	
(B)	describe the nature of <u>evaluate</u> insurance contracts.	
(5) <u>(6)</u>	The student <u>identifies the components used in the insurance industry for approval and denial decisions.</u> 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)	<u>examine</u> discuss the nature of credit-based insurance scores; and	
(C)	<u>examine the underwriting process.</u> 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 <u>has an understanding of insurance fraud.</u> 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) <u>(A)</u>	discuss the nature of <u>examine various types of</u> insurance fraud;	
(C) <u>(B)</u>	investigate suspected insurance fraud; <u>investigate various methods for detecting insurance fraud; and</u>	
(D)	conduct surveillance work; and	
(E) <u>(C)</u>	<u>identify</u> <u>investigate</u> and research a case study a current event <u>about involving possible</u> insurance fraud <u>including to create a grammatically correct written report with citations for presentation.</u>	

(i)	formulating questions to analyze the issue;	Restructured TEK
(ii)	gathering relevant sources;	Restructured TEK
(iii)	evaluating the validity and reliability of those sources;	Restructured TEK
(iv)	determining and verbalizing applicable laws and regulations;	Restructured TEK
(v)	gathering data supporting evidence; and	Restructured TEK
(vi)	clear and coherent oral and	Restructured TEK
(8)	The student manages agency and company policies to protect the insurance company's financial well-being. The student is expected to:	Restructured TEK
(A)	notify clients in writing when policy is cancelled using writing conventions appropriate to this purpose; and	Restructured TEK
(B)	monitor agency accounts.	Restructured TEK
(9) (8)	The student gathers, organizes, and synthesizes information to process a claim to fulfill and communicate the company's legal obligation to the client. <u>The student will examine the claims process.</u> The student is expected to <u>including the role of the agent and the adjustor.</u>	Restructured TEK
(A)	discuss the nature of insurance claims to include processing of an insurance claim;	Restructured TEK
(B)	discuss the role of an insurance adjuster.; process an insurance claim;	Restructured TEK
(C)	interview claimant and witnesses;	Restructured TEK
(D)	inspect property damage;	Restructured TEK
(E)	compile a claim report;	Restructured TEK
(F)	negotiate with claimant; and	Restructured TEK
(G)	settle the insurance claim.	Restructured TEK
(10)	The student evaluates existing client insurance and risk management needs. The student is expected to:	Restructured TEK
(A)	evaluate a client;s insurance needs; and	Restructured TEK
(B)	recommend coverage upgrades to clients, where appropriate.	Restructured TEK
(11) (9)	The student identifies different insurance providers and rates. The student simulates an insurance sale. The student is expected to:	
(A)	compare and contrast insurance company ratings <u>identify prospective clients;</u>	
(B)	schedule appointments with prospective clients; <u>compare and contrast insurance premiums according to gender, geographic area, and age.</u>	

(C)	interview a client;	Restructured TEK
(D)	determine the client's insurance needs;	Restructured TEK
(E)	prepare sales presentation materials;	Restructured TEK
(F)	present an insurance recommendation to the client;	Restructured TEK
(G)	close the insurance sale;	Restructured TEK
(H)	handle any objections; and	Restructured TEK
(I)	process the insurance documentation.	Restructured TEK
(11)	<u>The student will demonstrate an understanding of identity theft. The student is expected to create a plan for prevention of identity theft and for the reporting identify thief.</u>	
(13)	<u>The student will demonstrate an understanding for a postsecondary plan. The student is expected to:</u>	
<u>(A)</u>	<u>understand the educational, military, and/or current job opportunities;</u>	
<u>(B)</u>	<u>create a postsecondary plan that includes application requirements, testing requirements, certification requirements, associated deadlines, associated costs including living expenses, job prospects and opportunities, beginning earnings and expected future earnings; and</u>	
<u>(C)</u>	<u>create a resume and a cover letter.</u>	

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§130.169. Statistics and Risk Management <u>Business Decision Making</u> (One Credit).		One Credit
TEKS with edits		Committee Comments
(a)	General requirements. This course is recommended for students in Grades 11-12. This course may meet the requirements for the fourth mathematics credit. <u>Prerequisite: Algebra II.</u> Recommended prerequisites: Accounting I	This is a math class-4 th math credit.
(b)	Introduction.	
(1)	<u>CTE instruction provides content aligned with challenging academic standards and relevant technical knowledge and skills for students to further their education and succeed in current or emerging professions.</u>	
(2)	<u>The Finance Career Cluster focuses on planning, services for financial and investment planning, banking, insurance, and business financial management.</u>	
(3)	<u>This course is an introduction to statistics and the application of statistics to business decision making.</u> 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 <u>probability as a tool for anticipating and forecasting data within business models</u> to make decisions. Students will determine the appropriateness of methods used to collect data to ensure conclusions are valid.	
(4)	<u>Students are encouraged to participate in extended learning experiences such as career and technical student organizations and other leadership or extracurricular organizations.</u>	
(5)	<u>Statements that contain the word “including” reference content that must be mastered, while those containing the phrase “such as” are intended as possible illustrative examples.</u>	
(c)	Knowledge and skills.	
(1)	<u>The student demonstrates professional standards/employability skills as required by business and industry. The student is expected to:</u>	
(A)	<u>demonstrate an understanding of appropriate communication with customers, employers, and coworkers through verbal, nonverbal, digital means;</u>	
(B)	<u>demonstrate an understanding of the use of business etiquette including verbal and dining etiquette; and</u>	
(C)	<u>demonstrate an understanding of appropriate customer service such as building customer relationships and resolving customer complaints.</u>	
(+) (2)	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 <u>the reasons</u> 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 such as 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:	
(3)	<u>The student will understand and demonstrate the use of statistics in business areas including accounting, economics, finance, management, and marketing. The student is expected to:</u>	
(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;	
(A)	<u>evaluate the use of statistics in accounting such as forecasting consumption, forecasting earnings, forecasting cash flows, forecasting book value, and forecasting allowance for doubtful accounts;</u>	
(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;	
(B)	<u>evaluate how statistics are used in economics such as labor market, trade balance, GDP, unemployment, and consumer spending;</u>	
(C)	describe and explain the production role and function, including the concept of production and production activities; and	
(C)	<u>evaluate how statistics are used in finance such as the use by financial intermediaries or in the evaluation of investments, securities, derivatives, futures, or options;</u>	
(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.	
(D)	<u>evaluate how statistics in management such as production efficiency, production quantity, quality control, workforce trends, staffing issues, and employee satisfaction; and</u>	
(E)	<u>evaluate how statistics in marketing such as projected market share, advertising effectiveness, sales effectiveness, brand loyalty, spending habits, and customer satisfaction.</u>	
(3)	The student analyzes accounting systems to examine fiscal stability of businesses. The student is expected to:	
(4)	<u>The student understands and demonstrates the ethical use and responsible use of statistics in business. The student is expected to evaluate how statistics are used in accounting, economics, finance, management, and marketing.</u>	
(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)	dealing 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 <u>evaluates</u> 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 ;	
<u>(B)</u>	analyzing the relationship between risk management and <u>operations</u> business finance ; <u>and</u>	
(ii)	discussing the nature of risk measurement	
<u>(C)</u>	<u>evaluate</u> measuring <u>various risk</u> <u>risk-management strategies and techniques including the use of insurance, stock, derivatives, and options.</u>	
(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 evaluates accesses, processes, maintains, evaluates, and disseminates financial information <u>using statistical analysis</u> to assist business decision making <u>utilizing appropriate software</u> . 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 <u>areas such as advertising, investment and securities, human resource management and economics;</u> media, work, and educational environments;	
(C)	generate a spreadsheet to collect, collate, organize, and analyze quantitative data; <u>and</u>	
(D)	use spreadsheets and graphical techniques to present data in a manner that is understood by and meaningful to colleagues and clients.	Moved E-N to #14
(7)	<u>The student will understand and demonstrate the defining and collecting of data. The student is expected to:</u>	
(A)	<u>define the types of variables and the measurement scales of variables;</u>	
(B)	<u>understand the collecting of data and its source;</u>	
(C)	<u>understand populations and samples;</u>	
(D)	<u>understand sampling methods; and</u>	
(E)	<u>understand and define survey error types.</u>	
(8)	<u>The student will understand and demonstrate the organization and visualization of data. The student is expected to organize and visualize categorical data and numerical data.</u>	
(9)	<u>The student will understand and demonstrate the use of descriptive measures. The student is expected to:</u>	
(A)	<u>understand and demonstrate the central tendency of the data set including mean, median, and mode;</u>	
(B)	<u>understand and determine the variation of the data set including range, sample variance, sample standard deviation, population variance, population standard deviation, coefficient of the variation, z score; and</u>	
(C)	<u>understand and demonstrate the measure of shape of the data set including skewness, symmetry, and kurtosis.</u>	
(10)	<u>The student will understand and demonstrate basic probability. The student is expected to:</u>	
(A)	<u>define event, compound event, complement of an event, sample space, marginal probability,</u>	

	<u>conditional probability, independence, multiplication rule, multiplication rule for independent events probability of an event, impendence, and Bayes' Theorem; and</u>	
(B)	<u>define and calculate simple probability, compound probability, marginal probability, general addition rule, marginal probability using the multiplication rule, probability with Bayes' Theorem.</u>	
(11)	<u>The student will understand and demonstrate the use of sampling distribution, sampling distribution of the mean, and the central limit theorem. The student is expected to:</u>	
(A)	<u>calculate the population mean and population standard deviation;</u>	
(B)	<u>calculate standard error of the mean; and</u>	
(C)	<u>calculate the Z and X-bar for the sampling distribution of the mean..</u>	
(12)	<u>The student will understand and demonstrate the use and construction of confidence intervals. The student is expected to:</u>	
(A)	<u>construct a confidence interval for the mean for a known and unknown population standard deviation; and</u>	
(B)	<u>evaluate ethical issues associated with confidence intervals.</u>	
(13)	<u>The student will understand and demonstrate hypothesis testing. The student is expected to:</u>	
(A)	<u>understand and demonstrate the use hypothesis testing, null hypothesis, and alternative hypothesis;</u>	
(B)	<u>create a null hypothesis and alternative hypothesis;</u>	
(C)	<u>understand and demonstrate the use of Type I error and Type II error;</u>	
(D)	<u>calculate the level of significance and calculate β risk;</u>	
(E)	<u>understand and demonstrate the use of the complements of Type I error and Type II error by calculating the confidence coefficient and the power of a statistical test;</u>	
(F)	<u>understand and calculate Z test for the mean;</u>	
(G)	<u>understand and demonstrate hypothesis one-tail tests, critical value, and p-value; and</u>	
(H)	<u>understand and demonstrate hypothesis two-tail tests, critical value, and p-value.</u>	
(14)	<u>The student will understand and demonstrate chi-square test. The student is expected to use the chi-square test for independence.</u>	
(E) (A)	analyze data presented in frequency distributions, and histograms;, and ogives;	Restructured TEK from #6
(F) (B)	construct and use descriptive indices;	Restructured TEK
(G) (C)	apply the common rules of probability to evaluate business alternatives;	Restructured TEK
(H) (D)	construct and interpret a confidence interval estimate for a single population mean using standard	Restructured TEK

	normal distribution;	
<u>(E)</u>	establish and interpret a confidence interval estimate for a single population proportion;	Restructured TEK
(F)	carry out an appropriate hypothesis test on a single population mean or proportion;	Restructured TEK
(G)	interpret the p-value of the test statistic;	Restructured TEK
(H)	construct a contingency table and perform a chi-squared test of independence;	Restructured TEK
(I)	analyze two variable problems using linear regression and correlation; and	Restructured TEK
(J)	interpret the results of a computer-generated regression model.	Restructured TEK
<u>(15)</u>	<u>The student will demonstrate an understanding for a postsecondary plan. The student is expected to:</u>	
<u>(A)</u>	<u>create a postsecondary plan that includes various options including four-year colleges, two-year colleges, technical schools, and/or current job opportunities;</u>	
<u>(B)</u>	<u>create a postsecondary plan that includes application requirements, testing requirements, certification requirements, associated deadlines, associated costs including living expenses, job prospects and opportunities, beginning earnings and expected future earnings; and</u>	
<u>(C)</u>	<u>create a resume and a cover letter.</u>	

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