Finance Career Cluster

1. Utilize mathematical concepts, skills and problem solving to obtain necessary information for decision making in the finance industry.

FN 1.1: Employ numbers and operations in finance.

Sample Indicators:
- Recognize relationships among numbers.
- Employ mathematical operations.
- Perform computations successfully.
- Predict reasonable estimations.

FN 1.2: Apply algebraic skills to make business decisions.

Sample Indicators:
- Recognize patterns and mathematical relations.
- Use algebraic symbols to represent, solve and analyze mathematical problems.
- Create mathematical models from real-life situations.
- Represent changes in quantities mathematically.
- Determine rate of change mathematically.
- Interpret graphical and numerical data.

FN 1.3: Perform data analysis to make business decisions.

Sample Indicators:
- Formulate questions effectively.
- Collect relevant data.
- Organize useful data.
- Answer questions appropriately.
- Employ appropriate statistical methods in data analysis.
- Develop and evaluate inferences and predictions.
- Apply basic concepts of probability.

FN 1.4: Use problem-solving techniques to evaluate the accuracy of mathematical responses in finance.

Sample Indicators:
- Identify problem-solving techniques.
- Apply a variety of problem-solving strategies.
- Adjust problem-solving strategies, when needed.
2. Utilize tools, strategies and systems to plan, monitor, manage and maintain the use of financial resources.

**FN 2.1:** Describe the nature and scope of finance.

*Sample Indicators:*
- Explain the role of finance in business.
- Discuss the role of ethics in finance.
- Explain legal considerations for finance.
- Discuss trends in the current financial environment (i.e., consolidation, regulatory burden, role of technology and globalization).

3. Plan, staff, lead and organize human resources in finance to enhance employee productivity and job satisfaction.

**FN 3.1:** Describe the role and function of human resources management.

*Sample Indicators:*
- Discuss the nature of human resources management.
- Explain the role of ethics in human resources management.
- Describe the use of technology in human resources management.

4. Determine effective tools, techniques and systems to communicate and deliver value to finance customers.

**FN 4.1:** Discuss marketing's role and function.

*Sample Indicators:*
- Explain marketing and its importance in a global economy.
- Describe marketing functions and related activities.

**FN 4.2:** Describe customer/client/business behavior in finance.

*Sample Indicators:*
- Explain customer/client/business buying behavior.
- Discuss actions employees can take to achieve the company's desired results.
- Demonstrate connections between company actions and results (e.g., influencing consumer buying behavior, gaining market share, etc.).

**FN 4.3:** Explain a finance organization's unique selling proposition.

*Sample Indicators:*
- Identify company's unique selling proposition.
- Identify internal and external service standards.
5. Create and maintain positive, ongoing relationships with finance customers.

**FN 5.1:** Foster positive relationships with finance customers.
*Sample Indicators:*
- Explain the nature of positive customer relations.
- Demonstrate a customer service mindset.
- Explain management's role in customer relations.

**FN 5.2:** Reinforce finance organization's image by exhibiting the company's brand promise.
*Sample Indicators:*
- Identify company's brand promise.
- Determine ways of reinforcing the company's image through employee performance.

**FN 5.3:** Explain the nature and scope of customer relationship management in finance.
*Sample Indicators:*
- Discuss the nature of customer relationship management.
- Explain the role of ethics in customer relationship management.
- Describe the use of technology in customer relationship management.
- Discuss customer relationship management as a key factor to success in the finance industry.
- Explain trends in customer relationship management that impact finance.

6. Plan, monitor and manage day-to-day activities to ensure effective and efficient finance operations.

**FN 6.1:** Describe production's role and function.
*Sample Indicators:*
- Explain the concept of production.
- Describe production activities.

**FN 6.2:** Discuss operation's role and function in finance.
*Sample Indicators:*
- Explain the nature of operations.
- Discuss the role of ethics in operations.
- Describe the use of technology in operations.

**FN 6.3:** Implement purchasing activities in finance.
*Sample Indicators:*
- Explain the nature and scope of purchasing.
- Place orders/reorders.
- Maintain inventory of supplies.
- Manage the bid process in purchasing.
- Select vendors.
- Evaluate vendor's performance.

**FN 6.4:** Implement quality-control processes in finance.
*Sample Indicators:*
- Identify quality-control measures.
- Utilize quality control methods at work.
- Describe crucial elements of a quality culture.
- Describe the role of management in the achievement of quality.
- Establish efficient operating systems.

7. **Implement safety, health and environmental controls to ensure a safe and productive finance work workplace.**

**FN 7.1:** Adhere to health and safety regulations in finance.
*Sample Indicators:*
- Describe health and safety regulations in business.
- Report noncompliance with business health and safety regulations.

**FN 7.2:** Implement safety procedures in finance.
*Sample Indicators:*
- Follow instructions for use of equipment, tools and machinery.
- Follow safety precautions.
- Maintain a safe work environment.
- Explain procedures for handling accidents.
- Handle and report emergency situations.

**FN 7.3:** Determine needed safety policies/procedures in finance.
*Sample Indicators:*
- Identify potential safety issues.
- Establish safety policies and procedures.

**FN 7.4:** Implement security policies/procedures in finance.
*Sample Indicators:*
- Explain routine security precautions.
- Follow established security procedures/policies.
- Protect company information and intangibles.

**FN 7.5:** Develop policies/procedures to protect workplace security in finance.
*Sample Indicators:*
- Identify potential security issues.
• Establish policies to protect company information and intangibles.
• Establish policies to maintain a non-hostile work environment.
• Establish policies and procedures to maintain physical security of the work environment.

8. Describe and follow laws, regulations and ethical standards that affect finance operations and transactions.

FN 8.1: Employ ethical actions in obtaining and providing finance information.
Sample Indicators:
• Respect the privacy of others.
• Explain ethical considerations in providing information.
• Protect confidential information.
• Determine information appropriate to obtain from a client or another employee.

FN 8.2: Apply ethics in finance.
Sample Indicators:
• Explain the nature of business ethics.
• Demonstrate responsible behavior.
• Demonstrate honesty and integrity.
• Demonstrate ethical work habits.

FN 8.3: Manage internal and external business relationships in finance.
Sample Indicators:
• Treat others fairly at work.
• Describe ethics in human resources issues.

FN 8.4: Explain the nature and scope of business laws and regulations.
Sample Indicators:
• Discuss the nature of law and sources of law in the United States.
• Describe the United States’ judicial system.
• Describe legal issues affecting businesses.

FN 8.5: Discuss the civil foundations of the legal environment of business.
Sample Indicators:
• Identify the basic torts relating to business enterprises.
• Describe the nature of legally binding contracts.

FN 8.6: Explore the regulatory environment of United States’ businesses.
Sample Indicators:
• Describe the nature of legal procedures.
• Discuss the nature of debtor-creditor relationships.
• Explain the nature of agency relationships.
• Discuss the nature of environmental law.
• Discuss the role of administrative law.

FN 8.7: Describe human resources laws and regulations.
Sample Indicators:
• Explain the nature of human resources regulations.
• Explain the nature of workplace regulations (including OSHA, ADA).
• Discuss employment relationships.

FN 8.8: Determine form of business ownership.
Sample Indicators:
• Explain types of business ownership.
• Select form of business ownership.

FN 8.9: Explain commerce laws and regulations.
Sample Indicators:
• Explain the nature of trade regulations.
• Describe the impact of anti-trust legislation.

FN 8.10: Discuss tax laws and regulations.
Sample Indicators:
• Explain the nature of tax regulations on business.
• Explain the nature of businesses’ reporting requirements.
• Develop strategies for legal/government compliance.

FN 8.11: Describe government regulation of the finance industry.
Sample Indicators:
• Explain federal legislation impacting the finance industry (e.g., Gramm-Leach-Bliley Act, Sarbanes-Oxley Act, Uniform Commercial Code, etc.).
• Discuss the effect of tax laws and regulations on financial transactions.

FN 8.12: Discuss the nature and scope of compliance in finance.
Sample Indicators:
• Discuss the nature and scope of compliance in the finance industry.
• Describe the use of technology in compliance.
• Explain the role of business ethics in compliance.

9. Plan, manage and maintain the use of financial resources to protect solvency.

FN 9.1: Discuss the fundamental principles of money.
Sample Indicators:

- Explain forms of financial exchange (cash, credit, debit, electronic funds transfer, etc.).
- Identify types of currency (paper money, coins, banknotes, government bonds, treasury notes, etc.).
- Describe functions of money (medium of exchange, unit of measure, store of value).
- Describe sources of income (wages/salaries, interest, rent, dividends, transfer payments, etc.).
- Explain the time value of money.
- Explain the purposes and importance of credit.
- Explain legal responsibilities associated with financial exchanges.

FN 9.2: Describe the use of financial services providers.
Sample Indicators:

- Describe types of financial services providers.
- Discuss considerations in selecting a financial services provider.

FN 9.3: Use investment strategies.
Sample Indicators:

- Explain types of investments.
- Explain the nature of capital investment.
- Establish investment goals and objectives.

FN 9.4: Identify potential business threats and opportunities to protect a business's financial well-being.
Sample Indicators:

- Describe the concept of insurance.
- Obtain insurance coverage.
- Settle insurance losses.
- Identify speculative business risks.
- Explain the nature of risk management.

FN 9.5: Obtain business credit and control its use.
Sample Indicators:

- Explain the purposes and importance of obtaining business credit.
- Analyze critical banking relationships.
- Make critical decisions regarding acceptance of bank cards.
- Determine financing needed for business operations.
- Identify risks associated with obtaining business credit.
- Explain sources of financial assistance.
- Explain loan evaluation criteria used by lending institutions.
- Complete loan application package.
FN 9.6: Manage financial resources to ensure solvency.
Sample Indicators:
- Describe the nature of budgets.
- Explain the nature of operating budgets.
- Describe the nature of cost/benefit analysis.
- Determine relationships among total revenue, marginal revenue, output and profit.
- Develop company's/department's budget.
- Forecast sales.
- Calculate financial ratios.
- Interpret financial statements.
- Describe types of financial statement analysis (e.g., ratio analysis, trend analysis, etc.).
- Spot problems in/issues with financial statements.

FN 9.7: Explain the importance of financial markets in business.
Sample Indicators:
- Describe the role of financial institutions.
- Explain types of financial markets (i.e., money markets, securities markets, property market, market for risk transfer).

FN 9.8: Explain the nature of assets’ values.
Sample Indicators:
- Discuss factors that affect the value of an asset (e.g., cash flows, growth rate, timing, inflation, interest rate, opportunity cost, risk and required return).

FN 9.9: Utilize sources of securities information to make informed financial decisions.
Sample Indicators:
- Describe sources of securities information.
- Read/interpret securities table.

FN 9.10: Use debt and equity capital to raise funds for business growth.
Sample Indicators:
- Describe the financial needs of a business at different stages of its development.
- Discuss factors to consider in choosing between debt and equity capital.
- Explain the significance of a firm's capital structure.

10. Plan, organize and manage a finance organization/department.

FN 10.1: Explain management's role in business success.
Sample Indicators:
- Explain the concept of management.
- Explain the nature of managerial ethics.
FN 10.2: Utilize planning tools that can guide finance organization's/department's activities.
Sample Indicators:
- Explain the nature of business plans.
- Develop company goals/objectives.
- Define business mission.
- Conduct an organizational SWOT.
- Explain external planning considerations.
- Identify and benchmark key performance indicators (e.g., dashboards, scorecards, etc.).
- Develop action plans.
- Develop business plan.

FN 10.3: Control a finance organization's/department's activities.
Sample Indicators:
- Describe the nature of managerial control (control process, types of control, what is controlled).
- Analyze operating results in relation to budget/industry.
- Track performance of business plan.

11. Plan, monitor and manage day-to-day activities required to sustain continued business functioning.

FN 11.1: Implement expense-control strategies.
Sample Indicators:
- Explain the nature of overhead/operating costs.
- Explain employee's role in expense control.
- Control use of supplies.
- Conduct breakeven analysis.
- Negotiate service and maintenance contracts.
- Negotiate lease or purchase of facility.
- Develop expense-control plans.
- Use budgets to control operations.

FN 11.2: Maintain property and equipment.
Sample Indicators:
- Identify routine activities for maintaining business facilities and equipment.
- Plan maintenance program.
12. Access, evaluate and disseminate financial information to enhance financial decision-making processes.

**FN 12.1**: Explain the nature and scope of financial information management.

*Sample Indicators:*
- Describe the need for financial information.
- Explain the nature and scope of the financial information management function.
- Explain the role of ethics in financial information management.

**FN 12.2**: Discuss the importance of accurately reporting a business’s financial position.

*Sample Indicators:*
- Describe the need to accurately report a business’s financial position.
- Describe the relationship between accounting (with an emphasis on cash flow) and finance (with an emphasis on decision-making).
- Discuss types of accounting systems used to report a business’s financial position (i.e., financial, tax, management, cost, accrual).

**FN 12.3**: Discuss the nature and scope of financial information analysis.

*Sample Indicators:*
- Discuss the impact of economic conditions on finance.
- Explain the use of financial information to identify trends.
- Describe the need to analyze customer financial information.
- Identify reasons to analyze financial data (e.g., to understand accounting treatment, to verify information, to analyze variances, to guide financial decision-making).

**FN 12.4**: Utilize financial information technology tools.

*Sample Indicators:*
- Describe the use of technology in the financial information management function.
- Demonstrate data mining techniques.
- Demonstrate budgeting applications.
- Demonstrate financial analysis applications.
- Demonstrate advanced database applications.

13. Manage a financial product or service mix in order to respond to market opportunities.

**FN 13.1**: Explain the nature and scope of product/service management.

*Sample Indicators:*
- Explain the nature and scope of the product/service management function.
- Identify the impact of product life cycles on business decisions.
- Explain the use of technology in the product/service management function.
- Discuss business ethics in product/service management.
FN 13.2: Develop a financial product/service mix.
Sample Indicators:
- Explain the concept of financial product/service mix.
- Describe the nature of financial product/service bundling.
- Identify financial product/service to fill a customer need.

FN 13.3: Position financial products/services to acquire desired business image.
Sample Indicators:
- Describe factors used to position financial products/services.
- Explain the nature of financial product/service branding.
- Explain the role of customer service in positioning/image.

FN 13.4: Position company to acquire desired business image.
Sample Indicators:
- Explain the nature of corporate branding.
- Describe factors used by businesses to position corporate brands.

14. Employ financial risk-management strategies and techniques used to minimize business loss.

FN 14.1: Describe the nature and scope of risk management in finance.
Sample Indicators:
- Explain the role of ethics in risk management.
- Describe the use of technology in risk management.
- Discuss legal considerations affecting risk management.

FN 14.2: Use risk-management techniques in finance.
Sample Indicators:
- Discuss the relationship between risk and business objectives.
- Develop a risk-management program.
- Evaluate a risk-management program.

FN 14.3: Describe risk-control methods in finance.
Sample Indicators:
- Discuss the nature of risk control (i.e., internal and external).
- Explain ways to assess risk.
- Describe the importance of auditing risk control.
- Discuss risk-control systems.
Accounting Career Pathway (FN-ACT)

1. Describe and follow laws and regulations to manage accounting operations and transactions.

   FN-ACT 1.1: Describe regulation of accounting
   Sample Indicators:
   - Discuss the impact of the Sarbanes-Oxley Act of 2002 on accounting.
   - Describe the role of the Securities and Exchange Commission (SEC) in regulating the accounting industry.
   - Discuss state regulation of the accounting industry.

2. Utilize accounting tools, strategies and systems to plan, monitor, manage and maintain the use of financial resources.

   FN-ACT 2.1: Classify, record and summarize financial data.
   Sample Indicators:
   - Discuss the nature of the accounting cycle.
   - Demonstrate the effects of transactions on the accounting equation.
   - Prepare a chart of accounts.
   - Use T accounts.
   - Record transactions in a general journal.
   - Post journal entries to general ledger accounts.
   - Prepare a trial balance.
   - Journalize and post adjusting entries.
   - Journalize and post-closing entries.
   - Prepare a post-closing trial balance.
   - Prepare work sheets.
   - Discuss the nature of annual reports.
   - Discuss the use of financial ratios in accounting.
   - Determine business liquidity.
   - Calculate business profitability.
   - Prepare income statements.
   - Prepare a statement of equity and retained earnings.
   - Project future revenues and expenses.
   - Apply bankruptcy prediction models.

   FN-ACT 2.2: Maintain cash controls.
   Sample Indicators:
- Explain cash-control procedures (e.g., signature cards, deposit slips, internal/external controls, cash clearing, etc.)
- Prove cash.
- Journalize/post entries to establish and replenish petty cash.
- Journalize/post entries related to banking activities.
- Explain the benefits of electronic funds transfer.
- Prepare bank deposits.
- Prepare purchase requisitions.
- Prepare purchase orders.
- Prepare sales slips.
- Prepare invoices.
- Explain the nature of the voucher system.
- Prepare vouchers.
- Record transactions using a voucher system.

FN-ACT 2.3: Perform accounting functions specific to a merchandising business.
Sample Indicators:
- Explain the nature of special journals.
- Record transactions in special journals.

FN-ACT 2.4: Perform accounts payable functions.
Sample Indicators:
- Explain the nature of accounts payable.
- Analyze and journalize purchase transactions.
- Analyze purchase transactions.
- Post to an accounts payable subsidiary ledger.
- Prepare a credit memorandum for returned goods.
- Process invoices for payment.
- Process accounts payable checks.
- Prepare an accounts payable schedule.

FN-ACT 2.5: Perform accounts receivable functions.
Sample Indicators:
- Explain the nature of accounts receivable.
- Maintain a customer file for accounts receivable.
- Analyze and journalize sales transactions.
- Post to an accounts receivable subsidiary ledger.
- Process sales orders and invoices.
- Process sales returns and allowances.
- Process customer payments.
- Prepare customer statements.
• Process uncollectible accounts.
• Prepare an accounts receivable schedule.
• Determine uncollectible accounts expense.

FN-ACT 2.6: Maintain inventory records to track the location, quantity and value of current assets.
Sample Indicators:
• Record inventory usage.
• Process invoice of inventory.
• Process results of inventory.
• Process inventory adjustments.
• Determine the cost of inventory using a variety of inventory costing methods.
• Determine the advantages and disadvantages of different inventory costing methods.

FN-ACT 2.7: Complete payroll procedures to calculate, record and distribute payroll earnings.
Sample Indicators:
• Calculate time cards.
• Maintain employee earnings records.
• Calculate employee earnings (e.g., gross earnings, net pay).
• Calculate employee-paid withholdings.
• Prepare a payroll register.
• Record the payroll in the general journal.
• Complete payroll tax expense forms.
• Prepare federal, state and local payroll tax reports.

FN-ACT 2.8: Perform specialized accounting procedures to track cash flow.
Sample Indicators:
• Process notes payable and receivable.
• Determine the book value of a plant asset.
• Prepare depreciation schedules.
• Record the disposition of assets.
• Account for intangible assets.
• Analyze accounting records to make business decisions.

FN-ACT 2.9: Utilize cost accounting methods.
Sample Indicators:
• Maintain job order cost sheets.
• Calculate the cost of goods sold.
• Compute overhead rates.
• Apply overhead to jobs.
• Conduct cost-volume-profit analysis.
• Develop standard variable costs for a product.
- Calculate variances.
- Conduct variance analysis.
- Perform cost allocation functions.
- Prepare cost of production reports.

**FN-ACT 2.10:** Prepare budget reports to make business decisions.
**Sample Indicators:**
- Process preliminary budget detail.
- Prepare budget reports.
- Determine relevant cost and revenue data for decision-making purposes.

**FN-ACT 2.11:** Perform accounting functions specific to a partnership.
**Sample Indicators:**
- Analyze a partnership agreement.
- Allocate profits and losses to the partners.
- Prepare a statement of partners' equities.
- Prepare a balance sheet for a partnership.
- Account for the revaluation of assets and liabilities prior to the dissolution of a partnership.
- Account for the sale of a partnership interest.
- Account for the withdrawal of a partner from a partnership.

**FN-ACT 2.12:** Perform accounting functions specific to a corporation.
**Sample Indicators:**
- Discuss the nature of a consolidated financial statement.
- Explain methods to account for the issuance of stock.
- Analyze the articles of incorporation needed to start a corporation.
- Compute dividends payable on stock.
- Prepare a balance sheet for a corporation.
- Complete a worksheet for a corporation.
- Prepare an income statement for a corporation.
- Prepare a statement of equity and retained earnings for a corporation.

**FN-ACT 2.13:** Determine suitable internal accounting controls to ensure the proper recording of financial transactions.
**Sample Indicators:**
- Explain the purpose of internal accounting controls.
- Determine the components of internal accounting control procedures.
- Maintain internal accounting controls.
FN-ACT 2.14: Conduct an audit.
Sample Indicators:
- Explain the nature of audits.
- Discuss the nature of the Statement on Auditing Standards No. 99 (Considerations of Fraud in a Financial Statement Audit).
- Conduct an audit.
- Prepare auditing reports.

FN-ACT 2.15: Perform tax accounting functions.
Sample Indicators:
- Explain record keeping procedures for tax accounting.
- * Identify tax issues for clients.
- * Explain the role of accountants in income tax planning.
- * Integrate tax strategies with family financial goals.
- * Discuss the nature of corporate tax accounting.

3. Process, evaluate and disseminate financial information to assist business decision making.

FN-ACT 3.1: Utilize accounting technology.
Sample Indicators:
- Discuss the use of data mining in accounting.
- Integrate technology into accounting.

FN-ACT 3.2: Develop an understanding and working knowledge of annual reports and financial statements.
Sample Indicators:
- Discuss the objective of annual reports and financial statements.
- Identify the components of an annual report and a financial statement.
- Identify laws and regulations that are applied to a financial statement.
- Create an annual report and financial statement.

FN-ACT 3.3: Assess the financial condition and operating results of a company.
Sample Indicators:
- Analyze financial statements.
- Interpret financial statements.
- Utilize information from financial statements to make informed business decisions.

4. Utilize career-planning concepts, tools and strategies to explore, obtain and/or develop an accounting career.
FN-ACT 4.1: Describe careers in accounting.

Sample Indicators:
- Discuss the role and responsibilities of certified public accountants.
- Describe the role and responsibilities of general ledger accountants.
- Explain the role and responsibilities of management accountants.
- Discuss the role and responsibilities of auditors.
- Discuss the role and responsibilities of government accountants.
- Explain the role and responsibilities of international accountants.
- Discuss the role and responsibilities of forensic accountants.
- Discuss the role and responsibilities of senior management in accounting.

FN-ACT 4.2: Explore accounting licensing and certification programs.

Sample Indicators:
- Discuss professional designations for accountants (e.g., CPA, CMA, ABA, etc.).

FN-ACT 4.3: Describe fundamental cost accounting concepts.

Sample Indicators:
- Explain the nature of managerial cost accounting (e.g., activities, costs, cost drivers, etc.).
- Discuss the use of cost-volume-profit analysis.
- Discuss cost accounting systems (e.g., job order costing, process costing, activity-based costing [ABC], project costing, etc.).
- Explain the nature of cost accounting decision-making.
- Discuss the nature of cost accounting budgets.
- Discuss the use of variance analysis for cost accounting.
- Discuss the nature of cost allocation.

FN-ACT 4.4: Discuss the significance of responsibility in accounting.

Sample Indicators:
- Describe social responsibility in accounting.
- Discuss responsibility accounting.

FN-ACT 4.5: Describe Generally Accepted Accounting Principles (GAAP).

Sample Indicators:
- Discuss the use of Generally Accepted Accounting Principles (GAAP).

Business Finance Career Pathway (FN-BFN)

1. Describe and follow laws and regulations to manage accounting operations and transactions.

FN-BFN 1.1: Describe regulations governing corporate finance.

Sample Indicators:
• Explain laws and regulations pertaining to business finance.
• Explain the nature of business taxation.
• Describe regulations and laws governing ownership change transactions.

Sample Indicators:
• Discuss the impact of the U.S. Securities and Exchange Commission Division of Corporation Finance on business finance.

2. Manage the use of financial resources to ensure business stability.

FN-BFN 2.1: Describe fundamental financial concepts involved in the management of corporate finances.
Sample Indicators:
• Discuss the nature of depreciation.
• Describe the nature of cash flows.

FN-BFN 2.2: Discuss the need for efficient capital markets in corporate finance.
Sample Indicators:
• Explain the role of efficient capital markets in business finance.
• Discuss weaknesses and strengths of efficient capital markets.

FN-BFN 2.3: Explore capital budgeting.
Sample Indicators:
• Discuss the capital budgeting process.
• Discuss formal methods used in capital budgeting.

FN-BFN 2.4: Perform calculations necessary for capital budgeting decision-making.
Sample Indicators:
• Calculate the initial investment associated with a proposed capital expenditure.
• Determine operating cash inflows.
• Determine terminal cash flow.

FN-BFN 2.5: Conduct cash flow analysis to select an acceptable capital expenditure.
Sample Indicators:
• Discuss the nature of relevant cash flow analysis.
• Explain the nature of the payback period.
• Calculate the payback period.
• Discuss the use of net present value (NPV).
• Explain the relationship between the internal rate of return and NPV.
- Calculate the NPV.
- Calculate the internal rate of return (IRR).

**FN-BFN 2.6:** Explain the role of financial planning in corporate finance.

*Sample Indicators:*
- Discuss the financial planning process.
- Discuss the nature of short-term (operating) financial plans.
- Describe the nature of long-term (strategic) financial plans.

**FN-BFN 2.7:** Conduct cash planning.

*Sample Indicators:*
- Explain the use of cash budgets.
- Cope with uncertainty in cash budgets.
- Prepare a cash budget.
- Evaluate a cash budget.

**FN-BFN 2.8:** Conduct profit planning.

*Sample Indicators:*
- Discuss the use of pro forma statements in profit planning.
- Develop a pro forma income statement.
- Prepare a pro forma balance sheet.
- Evaluate pro forma statements.

**FN-BFN 2.9:** Describe short-term financial management.

*Sample Indicators:*
- Describe the nature of short-term financial management.
- Discuss the link between short-term and long-term financing.

**FN-BFN 2.10:** Explain the role of valuation in making appropriate financial decisions for a company.

*Sample Indicators:*
- Discuss the role of project valuation in capital allocation decisions.
- Discuss methods for valuing flexibility.
- Discuss the valuation implications in business finance.

**FN-BFN 2.11:** Analyze a company’s financial statements.

*Sample Indicators:*
- Discuss the analysis of a company's financial situation using its financial statements.
- Discuss external forces affecting a company’s value.
- Explain how value is created for a company.
- Analyze a company's financial situation.
FN-BFN 2.12: Calculate business ratios to evaluate company performance.
Sample Indicators:
- Discuss the use of financial ratios in business finance.
- Determine business liquidity.
- Calculate corporate activity ratios.
- Calculate corporate debt ratios.
- Calculate business profitability.
- Calculate market ratios.
- Discuss the use of benchmarks when analyzing ratios.
- Describe bankruptcy prediction models.

FN-BFN 2.13: Utilize capital market securities to secure financing for a company.
Sample Indicators:
- Discuss ways to determine the best financing option for a company.
- Determine financing options for a company.
- Discuss the nature of corporate bonds.
- Discuss the cost of long-term debt.
- Determine the cost of long-term debt.
- Discuss the issuance of stock from a corporation.
- Calculate the cost of preferred stock.
- Discuss the cost of common stock.
- Calculate the cost of common stock.

FN-BFN 2.14: Explain the role of dividends in corporate finance.
Sample Indicators:
- Explain forms of dividends.
- Explain the nature of dividend reinvestment plans (DRIPs).
- Describe the effect of a firm’s dividend decisions on its external financing requirements.
- Discuss the residual theory of dividends.
- Describe the impact of dividends on the value of the firm.
- Explain the nature of a dividend policy.
- Discuss factors to consider when deciding on the form of dividend distribution.

FN-BFN 2.15: Analyze ownership change transactions.
Sample Indicators:
- Compare mergers and acquisitions.
- Explain the nature of hostile takeovers.
- Discuss issues that arise from mergers and acquisitions.
- Explain methods for evaluating potential merger/acquisition targets.
- Evaluate potential merger/acquisition targets.
- Discuss the nature of restructurings.
3. Utilize career-planning concepts, tools and strategies to explore, obtain and/or develop in a corporate finance career.

FN-BFN 3.1: Discuss the fundamentals of corporate finance.
Sample Indicators:
- Discuss short-term decisions and methods in relation to corporate finance.
- Discuss long-term decisions and methods in relation to corporate finance.
- Discuss the principle objective of corporate finance.

FN-BFN 3.2: Discuss the role of ethics in corporate finance.
Sample Indicators:
- Discuss business ethics for business finance.
- Discuss corporate responsibility issues in business finance.

FN-BFN 3.3: Describe the relationship of corporate governance and corporate finance.
Sample Indicators:
- Discuss corporate governance issues in business finance.
- Describe the components of a well-governed company (e.g., board of directors, reporting, transparency, internal and external audit functions).

FN-BFN 3.4: Describe careers in corporate finance.
Sample Indicators:
- Explain the role and responsibilities of financial managers.
- Explain the role and responsibilities of a financial analyst.
- Describe the role and responsibilities of a controller.
- Describe the role and responsibilities of a risk manager.
- Discuss the role and responsibilities of a treasurer.
- Discuss the role and responsibilities of a chief financial officer (CFO).

FN-BFN 3.1: Explore corporate finance licensing and certification programs.
Sample Indicators:
- Explain professional designations in the field of business finance (e.g., CF, CFA, CCM, CTP, CFM, etc.).
- Discuss licensing and certification educational degree requirements.

4. Employ risk-management strategies and techniques in corporate finance to minimize business loss.

FN-BFN 4.1: Manage risk to protect a business's security and viability.
Sample Indicators:
- Discuss the relationship between risk management and business finance.
- Discuss the nature of risk measurement.
- Measure risk.
- Explain the nature of interest rate risk.
- Manage interest rate risk.
- Explain approaches to financial risk management.
- Discuss the use of derivatives in financial risk management.
- Evaluate the risks of derivatives.
- Discuss reasons to integrate risk management into business operations.
- Identify business risks.
- Integrate risk management into business operations.

**FN-BFN 4.2**: Explain enterprise risk management.

*Sample Indicators:*
- Discuss the nature of enterprise risk management (ERM).
- Discuss the various enterprise risk management (ERM) frameworks.

**FN-BFN 4.3**: Evaluate existing client insurance and risk management needs.

*Sample Indicators:*
- Evaluate a client's insurance needs.
- Recommend coverage upgrades to clients where appropriate.

**FN-BFN 4.4**: Complete an insurance sale.

*Sample Indicators:*
- Identify prospective clients.
- Schedule appointments with prospective clients.
- Interview client.
- Determine client's insurance needs.
- Prepare sales presentation materials.
- Present insurance recommendation to client.
- Complete the insurance sale.
- Manage objections.
- Prepare insurance documentation.

**Banking Services Career Pathway (FN-BNK)**

1. Describe and follow laws and regulations to manage business operations and transactions in the banking services industry.

   **FN-BNK 1.1**: Develop a compliance program to protect the company well-being.

   *Sample Indicators:*
• Explain the elements of a compliance program.
• Discuss functional areas of a compliance audit.
• Develop a compliance program.

FN-BNK 1.2: Describe regulations governing banking services.
Sample Indicators:
• Discuss e-compliance issues in banking services.
• Discuss federal regulation of lending functions.
• Discuss federal regulation of operations functions in banking services.
• Discuss the responsibilities of regulatory agencies that oversee the banking industry.
• Describe the process for implementing regulatory changes.
• Describe provisions of bankruptcy law.

2. Create and maintain positive, ongoing relationships with banking customers.

FN-BNK 2.1: Develop positive relationships with customers to enhance company image.
Sample Indicators:
• Discuss the importance of meeting and exceeding customer expectations.
• Describe the relationships that institutions providing banking services have with their communities.

FN-BNK 2.2: Manage a profitable investment portfolio to build customer relationships.
Sample Indicators:
• Select customers for portfolios using established criteria.
• Develop portfolio criteria that support the institution’s business goals.

3. Manage the use of financial resources to enhance banking performance.

FN-BNK 3.1: Describe the manner in which banks generate profit.
Sample Indicators:
• Explain measures banks have taken to ensure profitability.

FN-BNK 3.2: Utilize financial formulas commonly used in banking to aid in the growth and stability of banking services.
Sample Indicators:
• Explain key ratios/terms in banking.
• Compute key banking calculations (e.g., interest, annual percentage rate, etc.).
• Explain the CAMELS rating system (i.e., Capital adequacy, Asset quality, Management administration, Earnings, Liquidity and Sensitivity to market risk).
4. Demonstrate the use of banking technology and equipment.

**FN-BNK 4.1:** Utilize banking technology to increase workplace efficiency and effectiveness.  
Sample Indicators:
- Utilize Automatic Teller Machines (ATM).
- Process numeric data using 10-key pad.
- Discuss the impact of technology on the banking industry.
- Utilize word processing, spreadsheets, e-mails, scanning and other technologies to produce required banking documents.

**FN-BNK 4.2:** Determine the appropriate technology to use in banking operations.  
Sample Indicators:
- Identify equipment and software needed to provide appropriate services.
- Utilize equipment/software to provide data and required reports.
- Train personnel on equipment and software.

5. Plan, monitor and manage the day-to-day activities within a banking organization to ensure secure operations.

**FN-BNK 5.1:** Describe how bank security programs minimize chance for loss.  
Sample Indicators:
- Discuss procedures for the secure handling of cash.
- Discuss the secure handling of checks.
- Explain procedures for detecting and reporting counterfeit currency.
- Describe crimes to which a bank could fall victim (e.g., fraud, robbery, phishing, etc.).
- Discuss the elements and role of a bank security program.
- Describe the nature of business continuity plans.

**FN-BNK 5.2:** Perform daily cash processing activities.  
Sample Indicators:
- Manage damaged and/or mutilated currency and coin.
- Order and deposit currency/coin.
- Manage differences in cash received/deposited.
- Handle differences in cash received/deposited.
- Identify requirements for transporting cash.
- Discuss the role of the Federal Reserve system in banking operations.

**FN-BNK 5.3:** Underwrite loan applications to determine creditworthiness of customers.  
Sample Indicators:
- Describe the loan application generating process.
- Explain the process of credit analysis.
- Describe factors affecting loan pricing and loan structuring.
- Underwrite a loan application.

**FN-BNK 5.4:** Discuss real estate lending and servicing.

*Sample Indicators:*
- Discuss the involvement of financial institutions in the real estate industry.
- Explain approaches to real estate lending.
- Describe the functions and responsibilities of the loan servicing department.

**FN-BNK 5.5:** Manage problem loans.

*Sample Indicators:*
- Discuss the nature of problem loan management.
- Implement correct procedures, as appropriate, for problem loans.

6. **Utilize career-planning concepts, tools and strategies to explore, obtain and/or develop a career in banking services.**

**FN-BNK 6.1:** Describe environments in which banking services are offered.

*Sample Indicators:*
- Explain the evolution of commercial banking.
- Discuss ethical issues in the banking industry.
- Discuss the fiduciary role of banks.
- Describe bank policies that pertain to fiduciary activities.

**FN-BNK 6.2:** Identify the nature and scope of types of banking institutions.

*Sample Indicators:*
- Describe the nature of the national banking system.
- Explain the role of central banks.
- Describe the nature of retail banking.
- Explain the nature of investment banking.
- Explain the nature of financial services companies (universal banks).
- Discuss the role of credit unions.
- Explain the role of savings and loan associations.
- Discuss the role of the World Bank Group in international financial assistance.
- Explain the nature of government agencies that provide financing to businesses (e.g., Export-Import Bank of the United States, Small Business Administration, etc.).

**FN-BNK 6.3:** Acquire knowledge of banking processes and services to facilitate workplace activities.

*Sample Indicators:*
- Describe the nature of banking processes.
- Describe types of banking services.
• Discuss retail bank products and services.
• Explain business bank products and services.
• Describe basic teller performance standards.
• Discuss the nature of loan products.
• Describe trust services available to customers.

FN-BNK 6.4: Describe roles and responsibilities in banking services.
Sample Indicators:
• Explain the role and responsibilities of administrative careers in banking services.
• Describe the role and responsibilities of executive/managerial careers in banking services.

7. Determine client needs and wants and respond through planned, personalized
communication to guide purchase decisions and enhance future business opportunities in
banking services.

FN-BNK 7.1: Generate new business using sales techniques.
Sample Indicators:
• Describe the importance of selling in the banking industry.
• Cross-sell banking products and services.
• Demonstrate the relationship-selling process.
• Assist a customer in the opening of an account.
• Call on small business clients.
• Interpret loan terms for a client.
• Describe the nature of event-based selling.
• Plan a sales campaign.

Insurance Career Pathway (FN-INS)

1. Describe and follow laws and regulations to manage business operations and transactions in
the insurance industry.

FN-INS 1.1: Define regulations that ensure compliance and demonstrate adherence to insurance
industry regulations.
Sample Indicators:
• Discuss federal and state regulations governing the insurance industry.
• Explain the significance of the Consolidated Omnibus Budget Reconciliation Act (COBRA).
• Discuss Title I of the Health Insurance Portability and Accountability Act (HIPAA).

FN-INS 1.2: Explain legal concepts pertinent to the insurance industry.
Sample Indicators:
Discuss fundamental legal principles that pertain to insurance (e.g., indemnity, insurable interest, subrogation, utmost good faith).

Describe the nature of insurance contracts.

2. Plan, monitor and manage day-to-day insurance organization activities.

FN-INS 2.1: Use investigative techniques to identify insurance fraud.
Sample Indicators:
- Discuss the nature of insurance fraud.
- Investigate suspected insurance fraud.
- Conduct surveillance work.

FN-INS 2.2: Manage agency/company policies to protect the insurance company's financial well-being.
Sample Indicators:
- Notify client in writing when policy is cancelled.
- Monitor agency accounts.

FN-INS 2.3: Process a claim to fulfill company's legal obligation to client.
Sample Indicators:
- Discuss the nature of insurance claims.
- Process an insurance claim.
- Interview claimant and witnesses.
- Inspect property damage.
- Compile claim report.
- Negotiate with claimant.
- Settle insurance claim.

3. Utilize career-planning concepts, tools and strategies to explore, obtain and/or develop a career in insurance.

FN-INS 3.1: Describe essential knowledge and skills needed to be employed in the insurance industry.
Sample Indicators:
- Describe the nature of the insurance industry.
- Discuss the manner in which insurance companies generate income.
- Explain the use of state risk pool programs.
- Discuss trends in the insurance industry (e.g., hacker insurance, identity theft insurance, etc.).
- Discuss licensing and certification in the insurance industry.

FN-INS 3.2: Describe roles and responsibilities in insurance.
Sample Indicators:
- Discuss the role and responsibilities of an underwriter.
Discuss the role and responsibilities of an insurance sales representative.
Discuss the role and responsibilities of an actuary.
Discuss the role and responsibilities of claims personnel.
Discuss the role and responsibilities of a loss control specialist.

**FN-INS 3.3:** Describe insurance licensing and certification programs.
**Sample Indicators:**
- Identify insurance licensing and certification laws, rules and/or regulations.
- Describe steps in insurance licensing and certification.

4. **Demonstrate underwriting techniques and strategies to evaluate the risk posed by potential insurance clients.**

**FN-INS 4.1:** Analyze the risk posed by potential clients in order to make insurance approval/denial decisions.
**Sample Indicators:**
- Explain the importance of actuarial science in the insurance industry.
- Discuss the nature of credit-based insurance scores.
- Underwrite an insurance policy.

5. **Determine client needs and wants and respond through planned, personalized communication to guide purchase decisions and enhance future insurance business opportunities.**

**FN-INS 4.1:** Describe insurance products and their benefits.
**Sample Indicators:**
- Explain the nature of liability insurance.
- Describe components of automobile insurance coverage.
- Discuss components of homeowners insurance.
- Discuss components of flood and earthquake insurance.
- Describe components of commercial property insurance.
- Explain the nature of commercial liability insurance.
- Discuss the nature of title insurance.
- Discuss the nature of health insurance coverage.
- Discuss the nature of long-term care insurance.
- Explain the nature of Medicare.
- Discuss the nature of Medicaid.
- Discuss the nature of unemployment insurance.
- Explain the nature of workers compensation insurance.
- Describe the nature of disability insurance.
Discuss the nature of life insurance.
Discuss the role of life insurance in investment and estate planning.

Securities & Investments Career Pathway (FN-SEC)

1. Describe and follow laws and regulations to manage business operations and transactions in the securities and investments industry.

FN-SEC 1.1: Explain regulation of the securities and investments industry.
Sample Indicators:
- Discuss legal and ethical considerations in buying and selling securities.
- Discuss state regulation of the securities and investments industry.
- Explain the role of the National Association of Securities Dealers (NASD) in the regulation of securities and investments.
- Explain the regulation of extensions of credit in the securities industry.
- Describe the nature of the Securities Investor Protection Corporation.
- Discuss taxation issues that impact securities and investments.

FN-SEC 1.2: Describe fundamental concepts of real estate law.
Sample Indicators:
- Explain state licensure laws for the real estate industry.
- Discuss laws pertaining to the conveyance of real estate.
- Discuss the impact of local zoning regulations on the real estate industry.
- Discuss the nature of a real estate sales contract.

FN-SEC 1.3: Explain the nature and scope of real estate titling.
Sample Indicators:
- Discuss methods of transferring real estate titles.
- Discuss reasons for title work.
- Explain the nature of title insurance.
- Discuss types of real estate property titling (e.g., sole ownership, joint tenancy with right of survivorship, tenancy in common, etc.).

2. Manage the use of financial resources to perform key duties in the securities and investments industry.

FN-SEC 2.1: Describe investment analysis and selection processes.
Sample Indicators:
• Discuss types of investment objectives.
• Discuss the nature of investment risk.
• Describe the nature of diversification strategies.
• Explain factors to consider when selecting investments.
• Explain information that can be obtained from financial statements.
• Describe information that can be obtained from annual reports.
• Explain the nature of a mutual fund prospectus.
• Explain fundamental analysis used in making investment decisions.
• Describe the nature of technical analysis.
• Explain strategies for selecting investments.
• Discuss performance measurements for venture capital.
• Explain Modern Portfolio Theory (MPT).
• Discuss the Capital Asset Pricing Model (CAPM).
• Explain the Arbitrage Pricing Theory (APT).

FN-SEC 2.2: Select investments for clients.
Sample Indicators:
• Interpret financial ratios significant to investors.
• Calculate stock-related values (e.g., the value of a constant growth stock, the expected value of future dividends, the expected rate of return, etc.).
• Calculate bond-related values (e.g., the price of a bond given its yield to maturity, the coupon interest payment for a bond, the effects of interest rates on the price of a bond, etc.).
• Assess securities’ fundamentals.
• Choose investments based on fundamental analysis.

FN-SEC 2.3: Appraise a property to determine its value.
Sample Indicators:
• Explain the real estate valuation process.
• Conduct a real estate appraisal.
• Prepare a real estate appraisal report.
• Appraise an investment property.

3. Plan, monitor and manage day-to-day securities and investments operations.

FN-SEC 3.1: Implement securities and investments operations activities.
Sample Indicators:
• Discuss the functions of operations departments in securities and investments.
• Perform the buy/sell functions of a brokerage clerk.
• Post transaction data to accounting ledgers and certificate records.
• Schedule the delivery of customers' securities.
• Calculate commissions.
4. Utilize career-planning concepts, tools and strategies to explore, obtain and/or develop in a securities and investments career.

**FN-SEC 4.1**: Describe careers in securities and investments.

*Sample Indicators:*
- Describe the role and responsibilities of individuals in the securities and investments industry.

**FN-SEC 4.2**: Explore securities and investments licensing and certification programs.

*Sample Indicators:*
- Describe the Series 6 and Series 7 licensing exams required to sell securities and other financial products.
- Explain professional designations in the securities and investments industry (e.g., CFS, CFA, BCAA, BCS, CSC, CFP, etc.).

**FN-SEC 4.3**: Describe the environments in which securities and investments services are offered.

*Sample Indicators:*
- Discuss considerations in selecting a securities sales agent.
- Describe types of securities and investment firms.
- Describe how securities are traded.
- Explain the principal factors that affect securities markets.
- Explain causes of stock price fluctuations.
- Discuss the relationship between bond prices and yields.
- Discuss the role of investment banking in the primary marketplace.
- Discuss the nature of margin accounts.
- Explain the nature of short sales.
- Discuss the nature of market timing.
- Discuss the nature of international investment strategies.

**FN-SEC 4.4**: Describe careers in real estate.

*Sample Indicators:*
- Explain the role and responsibilities of real estate sales agents.
- Describe the role and responsibilities of real estate appraisers.
- Discuss the role and responsibilities of title company personnel.
- Explain the role and responsibilities of real estate entrepreneurs.
- Discuss the role and responsibilities of property managers.

5. Determine client needs and wants and respond through planned, personalized communication to guide purchase decisions and enhance future securities and investments opportunities.

**FN-SEC 5.1**: Explain securities and investments products and their benefits.
Sample Indicators:
- Explain the nature of stocks.
- Describe the rights of stockholders.
- Explain the nature of dividends.
- Discuss the nature of stock splits.
- Discuss the nature of options strategies.
- Discuss the nature of hedge funds.
- Describe the nature of futures.
- Explain the nature of bonds.
- Describe the nature of mutual funds.
- Explain the rights of mutual fund shareholders.
- Explain the nature of venture capital.
- Explain the nature of real estate investments.
- Discuss the nature of retirement investment plans.
- Explain the nature of education savings plans.

FN-SEC 5.2: Complete a securities and investments sale.
Sample Indicators:
- Conduct lectures, seminars and forums to attract potential clients.
- Schedule appointments with prospective clients and interview clients.
- Obtain information on the client's finances and investment goals.
- Determine investment strategies for meeting client's investment goals.
- Develop an investment recommendation for the client.
- Prepare sales presentation materials.
- Present investment recommendation to client.
- Close the securities/investment sale.
- Complete the order ticket according to the client's instructions and enter the order.
- Follow up on the completion of the transaction.
- Monitor the client's portfolio.

FN-SEC 5.3: Describe real estate sales functions.
Sample Indicators:
- Discuss the listing of property to sell.
- Explain ways to advertise real estate listings for sale.
- Discuss ways to show property.
- Explain the nature of a real estate closing/settlement.

FN-SEC 5.4: List property owners in the sale of their real estate.
Sample Indicators:
- Determine a list price.
- Formulate showing instructions.
Conduct a caravan tour/real estate showing exclusively for real estate agents.

**FN-SEC 5.5**: Demonstrate knowledge of Investment and Savings Plan.

*Sample Indicators:*

- Compare the impact of simple interest versus compound interest on savings.
- Compare and contrast investment and savings options.
- Explain costs and income sources for investments.
- Examine the fundamental workings of the Social Security System and the system’s effects on retirement planning and investments.
- Contrast alternative retirement plans.