

INVESTMENTS AND SECURITIES

Curriculum Content Frameworks

Please note: All assessment questions will be taken from the knowledge portion of these frameworks.

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Curriculum Content Frameworks

INVESTMENTS AND SECURITIES

Grade Levels: 10, 11, 12
Course Code: 492270

Prerequisite: Tech Prep Foundation

Course Description: Introduction to Investments & Securities teaches students every step of the way toward smart saving and investing. Topics include how to invest in everything from certificates of deposit to mutual funds and stocks. The course will teach students how to research stocks and make informed decisions by using NAIC's Stock Selection Guide.

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Unit 1: Investment Fundamentals

Hours: 5

Terminology: Annual percentage yield, Annual report, Certificate of Deposit (CD), Compound interest, Discretionary income, Diversification, Emergency fund, Inflation, Interest, Interest rate risk, Liquidity, Market risk, Maturity date, Money market, Political risk, Principal, Return, Risk, Securities, Stock broker

| CAREER and TECHNICAL SKILLS What the Student Should be Able to Do | | ACADEMIC and WORKPLACE SKILLS What the Instruction Should Reinforce | | | |
|---|---|--|---------------------------------|--|--|
| Knowledge | Application | Skill Group | Skill | Description | |
| 1.1 Define terminology | 1.1.1 Manipulate vocabulary and concepts individually and in groups | Foundation | Reading Writing | Applies/Understands technical words that pertain to investment fundamentals [1.3.6] Uses words appropriately [1.6.21] | |
| 1.2 Describe different purposes of saving | 1.2.1 Compare and contrast short-term and long-term needs 1.2.2 Explain the features and purposes of different savings options 1.2.3 Compare and contrast the financial institutions in which savings can be placed | Foundation Thinking | Reading Reasoning | Analyzes and applies what has been read to a specific task [1.3.2] Draws conclusions from what is read [1.3.12] Sees relationship between two or more ideas, objects, or situations [4.5.5] | |
| 1.3 Describe the stages of investing and the relationship between risk and return | 1.3.1 Compare and contrast investment strategies, options, and sources of information | Foundation Thinking | Reading Writing Reasoning | Analyzes and applies what has been read to a specific task [1.3.2] Communicates thoughts, ideas, or facts in written form in a clear, concise manner [1.6.6] Uses language, style, organization, and format appropriate to subject matter, purpose, and audience [1.6.19] Sees relationship between two or more ideas, objects, or situations [4.5.5] | |
| 1.4 Describe sources of financial information to make investment decisions | 1.4.1 Explain basic investment options, rated by risk | Foundation Thinking | Reading Writing Reasoning | Applies information and concepts derived from printed materials [1.3.3] Analyzes data, summarizes results, and makes conclusions [1.6.2] Uses logic to draw conclusions from available information [4.5.6] | |

Unit 2: Personal Investing

Hours: 40

Terminology: Balanced fund, Bear market, Blue chip stocks, Bond, Bond mutual fund, Bull market, Callable bond, Common stock, Corporate bond, Day trader, Debenture, Direct investment, Dividend reinvestment, Dividends, Dollar-cost averaging, Earnings per share, Face value, Federal agency bond, Global fund, Growth fund, Growth stocks, Income stocks, Index fund, Junk bond, Limit order, Load, Market order, Market value, Municipal bond, Net Asset Value (NAV), Odd lot, Over-the-Counter market (OTC), Par value, Percent yield, Preferred stock, Price/earnings ratio, Prospectus, Proxy, Real estate, Return on Investment (ROI), Round lot, Securities exchange, Speculative investment, Stock, Stock index, Stock mutual fund, Stock split, Stockholder, Ticker symbol, Treasury bond

| CAREER and TECHNICAL SKILLS | | | ACADEMIC and WORKPLACE SKILLS | | | |
|---------------------------------------|---|--|---------------------------------------|-----------|--|---|
| What the Student Should be Able to Do | | | What the Instruction Should Reinforce | | | |
| Knowledge | Application | | Skill Group | Skill | Description | |
| 2.1 Define terminology | 2.1.1 Manipulate vocabulary and concepts individually and in groups | | Foundation | Reading | Applies/Understands technical words that pertain to personal investing [1.3.6] | |
| | | | | Writing | Uses words appropriately [1.6.21] | |
| 2.2 Discuss investing in stocks | 2.2.1 Compare and contrast types of stock | | Foundation | Reading | Applies information and concepts derived from printed materials [1.3.3] | |
| | 2.2.2 Research stock investment classifications | | | Speaking | Communicates a thought, idea, or fact in spoken form [1.5.5] | |
| | 2.2.3 Explain stock worth | | | Thinking | Reasoning | Sees relationship between two or more ideas, objects, or situations [4.5.5] |
| | 2.2.4 Identify the functions of stock exchanges | | | | | |
| | 2.2.5 Analyze stock investment strategies | | | | | |
| | 2.2.6 Interpret stock listings | | | | | |
| 2.3 Describe bond investments | 2.3.1 Identify the different types of bonds | | Foundation | Listening | Comprehends ideas and concepts related to investing [1.2.1] | |
| | 2.3.2 Explain how to buy and sell bonds | | | Reading | Draws conclusions from what is read [1.3.12] | |
| | 2.3.3 Evaluate bond grades | | | Speaking | Communicates a thought, idea, or fact in spoken form [1.5.5] | |
| | 2.3.4 Interpret bond listings | | | Writing | Analyzes data, summarizes results, and makes conclusions [1.6.2] | |
| | | | | Thinking | Decision Making | Evaluates information/data to make best decision [4.2.5] |

| CAREER and TECHNICAL SKILLS | | ACADEMIC and WORKPLACE SKILLS | | | |
|---------------------------------------|---|---------------------------------------|-----------------|---|--|
| What the Student Should be Able to Do | | What the Instruction Should Reinforce | | | |
| Knowledge | Application | Skill Group | Skill | Description | |
| 2.4 Examine mutual fund investments | 2.4.1 Classify types of mutual funds | Foundation | Listening | Comprehends ideas and concepts related to investing [1.2.1] | |
| | 2.4.2 Explain how to choose among mutual funds | | Reading | Draws conclusions from what is read [1.3.12] | |
| | 2.4.3 Interpret mutual fund quotations | | Speaking | Communicates a thought, idea, or fact in spoken form [1.5.5] | |
| | 2.4.4 Explain importance of diversification among mutual funds | | Writing | Analyzes data, summarizes results, and makes conclusions [1.6.2] | |
| | | Thinking | Decision Making | Evaluates information/data to make best decision [4.2.5] | |
| 2.5 Examine other investment options | 2.5.1 Compare and contrast advantages of real estate investment | Foundation | Reading | Draws conclusions from what is read [1.3.12] | |
| | 2.5.2 Research other speculative investment alternatives | | Speaking | Participates in conversation, discussion, and group presentations [1.5.8] | |
| | | | Thinking | Decision Making | Evaluates information/data to make best decision [4.2.5] |
| | | | Reasoning | Sees relationship between two or more ideas, objects, or situations [4.5.5] | |

Unit 3: Retirement and Estate Planning

Hours: 10

Terminology: 401(k), 403(b), Annuity, Codicil, Defined benefit plan, Defined contribution plan, Equity, Estate, Estate planning, Estate tax, Executor, Gift tax, Heirs, Individual Retirement Plan (IRA), Inflation, Inheritance tax, Intestate, Joint tenants with rights of survivorship, Medicare, Power of attorney, Simple will, Social security, Testator, Trust, Trustee, Will

| CAREER and TECHNICAL SKILLS | | ACADEMIC and WORKPLACE SKILLS | | | |
|--|---|---------------------------------------|----------------------------|--|--|
| What the Student Should be Able to Do | | What the Instruction Should Reinforce | | | |
| Knowledge | Application | Skill Group | Skill | Description | |
| 3.1 Define terminology | 3.1.1 Manipulate vocabulary and concepts individually and in groups | Foundation | Reading | Applies/Understands technical words that pertain to retirement and estate planning [1.3.6] | |
| | | | Writing | Uses words appropriately [1.6.21] | |
| 3.2 Describe the features of retirement investment options | 3.2.1 Assess the role of Social Security in the retirement planning process | Foundation | Writing | Analyzes data, summarizes results, and makes conclusions [1.6.2] | |
| | 3.2.2 Distinguish the difference between types of personal retirement investments | Thinking | Reasoning | Sees relationship between two or more ideas, objects, or situations [4.5.5] | |
| | 3.2.3 Compare and contrast employer sponsored retirement plans | | | | |
| 3.3 Discuss the role of estate planning to meet individual and family retirement needs | 3.3.1 Using the goals of estate planning, create a plan for yourself | Foundation | Arithmetic/ Mathematics | Comprehends the role of chance in the occurrence and prediction of events [1.1.12] | |
| | 3.3.2 Identify estate planning tools including time value of money | | Speaking | Communicates a thought, idea, or fact in spoken form [1.5.5] | |

Unit 4: Protecting your Wealth

Hours: 5

Terminology: Automobile insurance, Cash value, Disability insurance, Health insurance, Homeowner's insurance, Indemnification, Insurable interest, Insurance, Liability risks, Life insurance, Permanent life insurance, Personal property floater, Personal risks, Probability, Property risks. Pure risk, Renter's insurance, Risk management, Term life insurance, Umbrella liability policy

| CAREER and TECHNICAL SKILLS | | | ACADEMIC and WORKPLACE SKILLS | | |
|---------------------------------------|-------------|---|---------------------------------------|-----------|--|
| What the Student Should be Able to Do | | | What the Instruction Should Reinforce | | |
| Knowledge | Application | | Skill Group | Skill | Description |
| 4.1 Define terminology | 4.1.1 | Manipulate vocabulary and concepts individually and in groups | Foundation | Reading | Applies/Understands technical words that pertain to protecting your wealth [1.3.6] |
| | | | | Writing | Uses words appropriately [1.6.21] |
| 4.2 Discuss risk management | 4.2.1 | Explain the concept of insurance | Foundation | Listening | Comprehends ideas and concepts related to risk management [1.2.1] |
| | 4.2.2 | Identify types of risk | | Speaking | Applies/Uses technical terms as appropriate to audience [1.5.2] |
| | 4.2.3 | Create a chart outlining the risk management process | | | Communicates a thought, idea, or fact in spoken form [1.5.5] |
| 4.3 Examine insurance options | 4.3.1 | Compare and contrast the types of property insurance | Foundation | Listening | Comprehends ideas and concepts related to risk management [1.2.1] |
| | 4.3.2 | Research types of automobile insurance | | Speaking | Applies/Uses technical terms as appropriate to audience [1.5.2] |
| | 4.3.3 | Identify common types of health insurance | | | Communicates a thought, idea, or fact in spoken form [1.5.5] |
| | 4.3.4 | Research disability insurance | | | |
| | 4.3.5 | Examine types of life insurance | Thinking | Reasoning | Sees relationship between two or more ideas, objects, or situations [4.5.5] |

Glossary

Unit 1: Investment Fundamentals

1. Annual percentage yield – the actual interest rate an account pays per year, including compounding
2. Annual report – a summary of a corporation's financial results for the year and prospects for the future
3. Certificate of Deposit (CD) – a deposit that earns a fixed interest rate for a specified length of time
4. Compound interest – interest computed on the original principal plus the accumulated interest
5. Discretionary income – money that is left over after the bills have been paid
6. Diversification – the spreading of risk among many types of investments
7. Emergency fund – money used to pay for short-term needs with enough left over to cover unexpected expenses
8. Inflation – a rise in the general level of prices
9. Interest – money paid for the use of money; earnings on a savings account
10. Interest rate risk – the risk that the value of an investment could decline as a result of a change in interest rates
11. Liquidity – the ability of an asset to be converted into cash quickly without loss of value
12. Market risk – susceptibility of an investment's performance to general stock market conditions
13. Maturity date – the date on which an investment becomes due for payment
14. Money market – an investment in which deposited money is used to purchase safe, liquid securities
15. Political risk – the risk that government actions will have adverse effects on an investment
16. Principal – the amount of money set aside by an investor that will earn interest
17. Return – percentage of profit on original investment
18. Risk – the chance that an investment's value will decrease
19. Securities – stocks and bonds issued by corporations or governments
20. Stock broker – an employee of a brokerage firm who buys and sells securities for investors

Unit 2: Personal Investing

1. Balanced fund – a mutual fund that invests in a mixture of stocks and bonds to minimize risk
2. Bear market – a market characterized by falling prices and investor pessimism
3. Blue chip stocks – stocks of large, well-established corporations with a solid record of profitability
4. Bond – a certificate of debt (usually interest-bearing or discounted) that is issued by a government or corporation in order to raise money
5. Bond mutual fund – a mutual fund that invests in bonds to try to achieve stable income with minimal risk
6. Bull market – a prolonged period of rising stock prices and a general feeling of investor optimism
7. Callable bond – a bond that the issuer has the right to pay off before its maturity date
8. Common stock – a type of stock that pays a variable dividend and gives the holder voting rights
9. Corporate bond – long-term debt securities issued by large firms
10. Day trader – a person who buys or sells stock within a short period of time
11. Debenture – a corporate bond that is not backed by collateral but only by the general credit standing of the corporation
12. Direct investment – buying stock directly from a corporation
13. Dividend reinvestment – using dividends previously earned on stock to buy more shares
14. Dividends – the part of the corporation's profit paid to stockholders
15. Dollar-cost averaging – an investment technique that involves the systematic purchase of an equal dollar amount of the same stock at regular intervals
16. Earnings per share – a corporation's after-tax earnings divided by the number of shares of common stock outstanding
17. Face value – the amount a bondholder will be repaid when the bond matures or is due
18. Federal agency bond – a bond issued by the federal agency
19. Global fund – a mutual fund that purchases international stocks and bonds as well as us securities
20. Growth fund – a mutual fund whose investment goal is to buy stocks that will increase in value over time
21. Growth stocks – stocks in corporations that reinvest their profits into the business so that it can grow

22. Income stocks – stocks that have a consistent history of paying high dividends
23. Index fund – a mutual fund that tries to match the performance of a particular securities index by investing in the companies included in that index
24. Junk bond – a bond that has a low rating, or no rating at all
25. Limit order – an order to buy or sell a stock only if the price is within limits that you specify
26. Load – a sales fee paid when purchasing a mutual fund through a broker
27. Market order – an order to buy or sell a stock at its prevailing market price
28. Market value – the price for which a stock is bought and sold in the marketplace
29. Municipal bond – a bond issued by state and local governments
30. Net Asset Value (NAV) – the market value of the securities that a mutual fund has purchased minus any liabilities owed
31. Odd lot – less than 100 shares of stock
32. Over-the-Counter market (OTC) – a network of brokers who buy and sell the securities of corporations that are not listed on a securities exchange
33. Par value – an assigned (and often arbitrary) dollar amount that is printed on a stock certificate
34. Percent yield – percentage of the current price of the stock dividends represented
35. Preferred stock – a type of stock that pays a fixed dividend and carries no voting rights
36. Price/earnings ratio – the price of a share of stock divided by the corporation's earnings per share over the last 12 months
37. Prospectus – a legal document that offers securities or mutual fund shares for sale
38. Proxy – a stockholder's written authorization to transfer voting rights to someone else, usually a company manager
39. Real estate – land and any thing permanently affixed to the land (building, wells, etc.)
40. Return on Investment (ROI) – the profit earned on the stock as a percentage of the total cost of buying the stock
41. Round lot – shares bought or sold in multiples of 100
42. Securities exchange – a marketplace where brokers who are representing investors meet to buy and sell securities
43. Speculative investment – investment with the chance of quick or considerable profit

44. Stock – a unit of ownership in a corporation
45. Stock index – a benchmark that investors use to judge the performance of their investments
46. Stock mutual fund – mutual funds that sell shares to individuals and invest the proceeds in stocks
47. Stock split – an increase in the number of outstanding shares of a company's stock
48. Stockholder – owners of a corporation
49. Ticker symbol – the abbreviated term that is used to identify a stock for trading purposes
50. Treasury bond – long term debt securities issued by the U.S. treasury

Unit 3: Retirement and Estate Planning

1. 401(k) – a retirement plan of for-profit corporations in which the employee chooses a percentage of their salary to set aside, and the company may put in a matching amount
2. 403(b) – a retirement plan of not-for-profit companies, much like a 401(k)
3. Annuity – a contract sold by an insurance company that provides the investor with a series of regular payments, usually after retirement
4. Codicil – a document that explains, adds, or deletes provisions in your existing will
5. Defined benefit plan – a company sponsored retirement plan that specifies retirement benefits, based on wages earned and years of service
6. Defined contribution plan – a company sponsored retirement plan that specifies a minimum contribution, but no promise of a particular benefit at retirement
7. Equity – the difference between the market value of property and the amount owed on it
8. Estate – all that a person owns, less debt owed, at the time of the person's death
9. Estate planning – preparing a plan for transferring property during one's lifetime and at one's death
10. Estate tax – a tax levied by the government on property transferred from deceased people to their heirs
11. Executor – the person designated in a will to carry out your instructions regarding the distribution of your assets
12. Gift tax – the tax levied on a person giving a gift to another person if it exceeds the annual limit
13. Heirs – persons who receive property from someone who has died
14. Individual Retirement Plan (IRA) – a retirement plan that allows individuals to set aside money in a tax deferred account, subject to limitations
15. Inflation – a rise in the general level of prices
16. Inheritance tax – a tax levied by the state against an heir who inherits property
17. Intestate – the condition of dying without a will
18. Joint tenants with rights of survivorship – type of joint account ownership that, upon the death of one of the owners, the surviving owners share the value of the account equally
19. Medicare – government sponsored health insurance for people who have reached a designated retirement age
20. Power of attorney – a legal document giving another person the power to act on your behalf
21. Simple will – a short document expressing the desires of the author with regard to the disposition of property

22. Social Security – a national social insurance program which provides federal aid for the elderly and for disabled workers
23. Testator – the person who makes a will for themselves
24. Trust – a legal document in which an individual gives someone else control of property, for ultimate distribution to another person
25. Trustee – the person given the responsibility of distributing the property of a trust according to the wishes of the testator
26. Will – a legal document expressing the desires of the author with regard to the disposition of property

Unit 4: Protecting your Wealth

1. Automobile insurance – insurance that provides protection to owners and operators of motor vehicles
2. Cash value – the savings accumulated in a permanent life insurance policy that you would receive if you canceled your policy
3. Disability insurance – an insurance plan that makes regular payments to replace income lost when illness or injury prevents the insured from working
4. Health insurance – a plan for sharing the risk of financial loss resulting from an accident or illness
5. Homeowner's insurance – insurance that protects property owners from property and liability risks
6. Indemnification – putting an insurance policyholder back in the same financial condition as before a loss occurred
7. Insurable interest – financial interest in life or property such that, if the life or property were lost or harmed, the insured would suffer financially
8. Insurance – a method for spreading individual risk among a large group of people to make losses more affordable for all
9. Liability risks – the possibilities of loss due to error or negligence
10. Life insurance – insurance that provides funds to the beneficiaries when the insured dies
11. Permanent life insurance – life insurance that remains in effect for the insured's lifetime and builds cash value
12. Personal property floater – insurance coverage for the insured's moveable property wherever it may be located; it protects property without regard to its location at the time of the loss
13. Personal risks – possible losses involving income or standard of living
14. Probability – the chance that a loss may occur
15. Property risks – the chances of loss or harm to personal or real property
16. Pure risk – a chance of loss with no chance for gain
17. Renter's insurance – insurance that protects renters from property and liability risks
18. Risk management – an organized strategy for controlling financial loss from pure risks
19. Term life insurance – a life insurance policy that remains in effect for a specified period of time
20. Umbrella liability policy – insurance that supplements auto and property liability coverage by expanding reimbursement limits and including some risks that were excluded in the basic coverage