

INTRODUCTION TO FINANCE

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

INTRODUCTION TO FINANCE

Grade Levels: 9, 10, 11, 12
Course Code: 492240

Prerequisite: WPI, CBA, or CAI or CAII

Course Description: Introduction to Finance focuses on the individual's role and financial responsibilities as a student, citizen, consumer, and active participant in the business world. It informs students of their various financial responsibilities. This course is designed to be taught in a one-semester format.

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Unit 1: Money Management

Hours: 20

Terminology: Adjusted gross income, Assets, Benefits, Budget, Canceled check, Check, Checkbook register, Deductions, Disposable income, Endorsement, Exemption, Financial plan, Fixed expenses, Gross income, Gross pay, Incentive pay, Liabilities, Net pay, Overdraft, Overtime, Reconciliation, Revenue, Standard deduction, Taxable income, Tax brackets, Tax credit, Tax evasion, Variable expense

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
1.1 Define terminology	1.1.1	Prepare a list of terms with definitions	Foundation	Reading	Applies/Understands technical words that pertain to money management [1.3.6]
				Writing	Uses words appropriately [1.6.21]
1.2 Illustrate how to calculate net pay	1.2.1	Compute payroll deductions and net pay	Foundation	Arithmetic/ Mathematics	Applies addition, subtraction, and division to real-world situations [1.1.1]
					Calculates dollar amount [1.1.7]
					Demonstrates mathematical calculation [1.1.19]
					Uses calculator to solve mathematical problems [1.1.36]
				Reading	Comprehends written information for main ideas [1.3.7]
1.3 Examine employee benefits	1.3.1	Identify optional and required employee benefits	Foundation	Reading	Comprehends written information for main ideas [1.3.7]
1.4 Describe types of taxes and components of the tax system	1.4.1	Analyze types of taxes	Foundation	Arithmetic/ Mathematics	Calculates dollar amount [1.1.7]
	1.4.2	Describe the components of the tax system			Enters figures/calculations from one form or chart to another [1.1.21]
	1.4.3	Prepare tax forms			Performs basic computations [1.1.31]
				Reading	Comprehends written information for main ideas [1.3.7]
				Writing	Completes form accurately [1.6.7]

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
1.5 Explain personal budgets	1.5.1 Prepare personal budgets	Foundation	Writing	Analyzes data, summarizes results, and makes conclusions [1.6.2]
		Personal Management	Career Awareness, Development, and Mobility	Analyzes impact of work on individual and family life [3.1.1] Identifies education and training needed to achieve goals [3.1.8]
		Thinking	Decision Making	Considers risks when making a decision [4.2.3] Demonstrates decision-making skills [4.2.4] Generates options/alternatives [4.2.6]
1.6 Summarize banking services	1.6.1 Identify parts of a check	Foundation	Reading	Comprehends written information for main ideas [1.3.7]
	1.6.2 Write checks		Writing	Completes form accurately [1.6.7]
	1.6.3 Differentiate between endorsements			Records data [1.6.16]
	1.6.4 Reconcile bank statements			
	1.6.5 Distinguish the different types of checking accounts			
	1.6.6 Identify banking services			

Unit 2: Credit Management

Hours: 20

Terminology: Annual percentage rate (APR), Bankruptcy, Capacity, Capital, Character, Closed-ended credit, Collateral, Comparison shopping, Consumer advocate, Co-signer, Credit, Credit bureau, Credit history, Credit rating, Credit report, Debtor, Discharged debts, Discrimination, Down payment, Finance charge, Finance companies, Fixed-rate loan, Fraud, Garnishment, Interest rate, Line of credit, Needs, Open-ended credit, Opportunity cost, Prime rate, Principal, Service credit, Simple interest, Statement, Time, 20/10 rule, Unsecured debt, Unused credit, Values

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 Prepare a list of terms with definitions	Foundation	Reading	Applies/Understands technical words that pertain to credit management [1.3.6]	
			Writing	Uses words appropriately [1.6.21]	
2.2 Demonstrate knowledge of basic consumer finance principles	2.2.1 Discuss the decision-making process	Foundation	Reading	Comprehends written information for main ideas [1.3.7] Uses written resources (books, dictionaries, directories) to obtain factual information [1.3.23]	
	2.2.2 Identify factors that influence spending				Speaking
2.3 Demonstrate consumer protection awareness	2.3.1 Discuss common crimes against consumers	Foundation	Listening	Listens for content [1.2.3]	
	2.3.2 Examine federal consumer protection laws		Reading	Comprehends written information for main ideas [1.3.7]	
	2.3.3 Identify sources of consumer information and assistance		Speaking	Communicates a thought, idea, or fact in spoken form [1.5.5]	
			Writing	Communicates thoughts, ideas, or facts in written form in a clear, concise manner [1.6.6]	

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	
2.4 Examine credit	2.4.1 Analyze the advantages and disadvantages of using credit	Foundation	Arithmetic/ Mathematics	Computes using a formula [1.1.14]	
	2.4.2 Describe the kinds of credit/loans		Listening	Listens for content [1.2.3]	
	2.4.3 Compare/Contrast the sources of credit		Speaking	Communicates a thought, idea, or fact in spoken form [1.5.5]	
	2.4.4 Discuss the importance of establishing good credit		Writing	Analyzes data, summarizes results, and makes conclusions [1.6.2]	
	2.4.5 Describe the responsibilities of consumer credit	Communicates thoughts, ideas, or facts in written form in a clear, concise manner [1.6.6]			
	2.4.6 Explain why credit costs vary	Thinking		Decision Making	Evaluates information/data to make best decision [4.2.5]
	2.4.7 Calculate simple interest and APR			Reasoning	Uses logic to draw conclusions from available information [4.5.6]
	2.4.8 Compare methods of computing finance charges				
2.5 Analyze consumer debt management	2.5.1 Discuss methods for solving credit problems	Foundation	Listening	Listens for content [1.2.3]	
	2.5.2 Identify and evaluate types of bankruptcy		Reading	Identifies relevant details, facts, and specifications [1.3.16]	
	2.5.3 Examine advantages and disadvantages of declaring bankruptcy		Speaking	Communicates a thought, idea, or fact in spoken form [1.5.5]	
		Thinking	Decision Making	Evaluates information/data to make best decision [4.2.4]	
	Problem Solving		Demonstrates logical reasoning to reach a conclusion [4.4.2]		

Unit 3: Financial Security

Hours: 20

Terminology: Adjustable-rate mortgage (ARM), Annuity, Bonds, Capital gain, Collision coverage, Deed, Depreciation, Disability insurance, Dividends, Equity, Estate, Estate planning, Fixed-rate mortgage, Futures, Homeowner's policy, Individual retirement account (IRA), Inflation, Insurance, Insurer, Interest, Investing, Landlord, Lease, Liability coverage, Lien, Life insurance, Market value, Money market account, Mortgage, Mutual fund, Personal risk, Policy, Policyholder, Power of attorney, Principal, Property risk, Real estate, Renter's policy, Risk management, Securities, Security deposit, Stockbroker, Stockholders, Tenant, Title, Vehicle Identification Number (VIN)

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 Prepare a list of terms with definitions		Foundation	Reading	Applies/Understands technical words that pertain to financial security [1.3.6]
				Writing	Uses words appropriately [1.6.21]
3.2 Describe different purposes of saving	3.2.1 Compare and contrast short-term and long-term needs		Foundation	Reading	Analyzes and applies what has been read to a specific task [1.3.2]
	3.2.2 Explain the features and purposes of different savings options			Writing	Draws conclusions from what is read [1.3.12]
	3.2.3 Compare and contrast the financial institutions where you can save				Communicates thoughts, ideas, or facts in written form in a clear, concise manner [1.6.6]
					Uses words appropriately [1.6.21]
3.3 Describe the stages of investing and the relationship between risk and return	3.3.1 Compare and contrast investment strategies, options, and sources of information		Foundation	Reading	Analyzes and applies what has been read to a specific task [1.3.2]
				Writing	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]
			Thinking	Reasoning	Sees relationship between two or more ideas, objects, or situations [4.5.5]

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
3.4 Describe sources of financial information to make investment decisions	3.4.1 Explain basic investment options, rated by risk		Foundation	Reading	Analyzes and applies what has been read to a specific task [1.3.2]
				Writing	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]
			Thinking	Reasoning	Sees relationship between two or more ideas, objects, or situations [4.5.5]
3.5 Discuss stock investing classifications, and explain how to read the stock listings and stock indexes	3.5.1 Participate in the Stock Market Game		Foundation	Arithmetic/ Mathematics	Applies addition, subtraction, and division to real-world situations [1.1.1] Comprehends mathematical ideas and concepts related to stock investing [1.1.13]
				Reading	Applies information and concepts derived from printed materials [1.3.3] Comprehends written information, and applies it to a task [1.3.8] Uses graphs, charts, and tables to obtain factual information [1.3.21]
				Writing	Analyzes data, summarizes results, and makes conclusions [1.6.2] Presents answers/conclusions in a clear and understandable form [1.6.13]
			Interpersonal	Teamwork	Contributes to group with ideas, suggestions, and effort [2.6.2] Works effectively with others to reach a common goal [2.6.6]
			Personal Management	Responsibility	Accepts responsibility for position [3.4.1]

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	
3.6 Discuss the features and types of corporate bonds	3.6.1 Collect examples of corporate bonds, and present to the class	Foundation	Speaking	Communicates a thought, idea, or fact in spoken form [1.5.5] Organizes ideas, and communicates oral messages to listeners [1.5.7]	
		Thinking	Creative Thinking	Develops visual aids to create audience interest [4.1.4]	
3.7 Describe federal and municipal government securities bonds	3.7.1 Investigate federal and municipal government securities bonds that affect where you live	Foundation	Listening	Listens for long-term contexts [1.2.7]	
			Reading	Adjusts reading strategy to purpose and type of reading (skimming and scanning) [1.3.1] Uses standard occupational resource materials [1.3.22]	
3.8 Explain mutual funds and what their advantages are	3.8.1 Prepare a presentation on the different types of mutual funds	Foundation	Reading	Applies information and concepts derived from printed materials [1.3.3] Locates pertinent information in documents -- such as manuals, graphs, and schedules -- to perform tasks [1.3.18]	
			Speaking	Communicates a thought, idea, or fact in spoken form [1.5.5]	
			Writing	Uses words appropriately [1.6.21]	
		Thinking	Creative Thinking	Develops visual aids to create audience interest [4.1.4]	
			Reasoning	Sees relationship between two or more ideas, objects, or situations [4.5.5]	

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	
3.9 Describe other choices of investing	3.9.1 Prepare a presentation explaining one other investment choice	Foundation	Reading	Applies information and concepts derived from printed materials [1.3.3] Comprehends written information, and applies it to a task [1.3.8] Locates pertinent information in documents -- such as manuals, graphs, and schedules -- to perform tasks [1.3.18]	
			Speaking	Communicates a thought, idea, or fact in spoken form [1.5.5]	
			Writing	Uses words appropriately [1.6.21]	
		Thinking	Creative Thinking	Develops visual aids to create audience interest [4.1.4]	
			Reasoning	Sees relationship between two or more ideas, objects, or situations [4.5.5]	
3.10 Describe individual and family retirement needs	3.10.1 Investigate estate planning, and make a presentation for the class	Foundation	Reading	Applies information and concepts derived from printed materials [1.3.3] Comprehends written information, and applies it to a task [1.3.8]	
			Speaking	Communicates a thought, idea, or fact in spoken form [1.5.5]	
			Writing	Uses words appropriately [1.6.21]	
		Thinking	Creative Thinking	Develops visual aids to create audience interest [4.1.4] Prepares presentation based on subject research, interviews, surveys [4.1.10]	
			Reasoning	Sees relationship between two or more ideas, objects, or situations [4.5.5]	

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
3.11 Describe the features of retirement investment options	3.11.1 Analyze a variety of individual retirement accounts (IRAs), and make a brochure	Foundation	Arithmetic/ Mathematics	Applies addition, subtraction, and division to real-world situations [1.1.1]
	3.11.2 Search the Internet for a retirement calculator, and calculate a variety of salaries		Reading	Comprehends mathematical ideas and concepts related to retirement investing [1.1.13] Applies information and concepts derived from printed materials [1.3.3] Comprehends written information, and applies it to a task [1.3.8]
		Thinking	Speaking	Communicates a thought, idea, or fact in spoken form [1.5.5]
			Writing	Uses words appropriately [1.6.21]
			Creative Thinking	Uses imagination to create something new [4.1.1]
			Reasoning	Sees relationship between two or more ideas, objects, or situations [4.5.5]
3.12 Explain the concept of insurance	3.12.1 Compare and contrast the different types of risks	Foundation	Reading	Comprehends written information, and applies it to a task [1.3.8]
		Thinking	Reasoning	Sees relationship between two or more ideas, objects, or situations [4.5.5]
3.13 Discuss the risk-management process	3.13.1 Explain how to create a risk-management plan	Foundation	Reading	Comprehends written information, and applies it to a task [1.3.8]
		Thinking	Reasoning	Sees relationship between two or more ideas, objects, or situations [4.5.5]

Glossary

Unit 1: Money Management

1. Adjusted gross income – the result of adjustments subtracted from gross income
2. Assets – items of value that a person owns
3. Benefits – company-provided supplements to salaries, such as sick pay, vacation time, and health insurance
4. Budget – a spending and saving plan based on your expected income and expenses
5. Canceled check – a check that bears the bank's stamp, indicating it has cleared
6. Check – a written order to a bank to pay the stated amount to the person or business (payee) named on it
7. Checkbook register – a booklet used to record checking account transactions
8. Deductions – amounts subtracted from gross pay
9. Disposable income – the money left to spend or save after taxes have been paid
10. Endorsement – a written amendment to an insurance policy
11. Exemption – an amount you may subtract from your income for each person who depends on your income to live
12. Financial plan – a set of goals for spending, saving, and investing the money you earn
13. Fixed expenses – costs you are obligated to pay at specific times, regardless of other events
14. Gross income – all taxable income received, including wages, tips, salaries, interest, dividends, unemployment compensation, alimony, and so forth
15. Gross pay – the total amount you earn before any deductions are subtracted
16. Incentive pay – money offered to encourage employees to strive for higher levels of performance
17. Liabilities – amounts of money owed to others
18. Net pay – the amount left after all deductions have been taken out of your gross pay
19. Overdraft – a check written for more money than your account contains
20. Overtime – the time worked beyond the regular hours; usually more than 40 hours in a five-day period
21. Reconciliation – the process of matching your checkbook register with the bank statement

22. Revenue – money collected by the government from residents and businesses in the form of taxes
23. Standard deduction – a stated amount that you may subtract from adjusted gross income instead of itemizing your deductions
24. Taxable income – the income on which you pay tax
25. Tax brackets – income ranges to which tax rates apply
26. Tax credit – an amount subtracted directly from the tax owed
27. Tax evasion – willful failure to pay taxes
28. Variable expense – costs that vary in amount and type, depending on events and the choices you make

Unit 2: Credit Management

1. Annual percentage rate (APR) – the cost of credit expressed as a yearly percentage
2. Bankruptcy – a legal process that relieves debtors of the responsibility of paying their debts or protects them while they try to repay
3. Capacity – the ability to repay a loan with present income
4. Capital – property possessed that is worth more than debts owed
5. Character – a responsible attitude toward living up to agreements
6. Closed-ended credit – a loan for a specific amount that must be repaid in full, including all finance charges, by a stated due date
7. Collateral – property pledged to a creditor to assure repayment of a loan
8. Comparison shopping – a shopping method that enables consumers to determine whether they are getting the best quality for the price
9. Consumer advocate – a person who actively promotes consumer causes
10. Co-signer – a person who promises in writing to repay a promissory note if the maker fails to pay
11. Credit – money borrowed to buy something now with an agreement to pay for it later
12. Credit bureau – a company that gathers, stores, and sells credit information to business subscribers
13. Credit history – the complete record of your borrowing and repayment performance
14. Credit rating – a measure of credit-worthiness based on an analysis of a consumer's financial history
15. Credit report – a written statement of a consumer's credit history issued by a credit bureau to its business subscribers
16. Debtor – a person who owes money to others
17. Discharged debts – debts erased by the court during bankruptcy proceedings
18. Discrimination – treating people differently based on prejudice rather than individual merit
19. Down payment – a part of the purchase price paid in cash up front, reducing the amount of a loan
20. Finance charge – the total dollar amount of all interest and fees you pay for the use of credit
21. Finance companies – small loan companies that usually charge high interest rates

22. Fixed-rate loans – loans for which the interest rate does not change (up or down) over the life of the loan
23. Fraud – the intentional misrepresentation of information with the intent to deceive or mislead
24. Garnishment – a legal process that allows part of your paycheck to be withheld for payment of a debt
25. Interest rate – the percentage charged for the use of money
26. Line of credit – a pre-established amount that can be borrowed on demand with no collateral
27. Needs – ingredients necessary for maintaining physical life
28. Open-ended credit – an agreement to lend the borrower an amount up to a stated limit and to allow borrowing up to that limit again whenever the balance falls below the limit
29. Opportunity cost – the value of your next best alternative whenever you make a choice
30. Prime rate – the interest rate lenders offer to their best business customers
31. Principal – the amount borrowed, or the unpaid portion of the amount borrowed, on which the borrower pays interest
32. Service credit – an agreement to have a service performed now and pay for it later
33. Simple interest – interest computed on the amount borrowed only without compounding
34. Statement – an itemized bill showing charges, credit, and payments posted to your account during the billing period
35. Time – the length of time the borrower will take to repay a loan; expressed as a fraction of a year
36. 20/10 rule – your total borrowing should not exceed 20 percent of your yearly take-home pay, and you should not take on monthly payments that total more than 10 percent of your monthly take-home pay
37. Unsecured debt – a loan that is not backed by pledged assets
38. Unused credit – the remaining credit available to you; calculated as your credit limit minus the amount you have already spent
39. Values – the ideals in life that are important to you and affect your decision making

Unit 3: Financial Security

1. Adjustable-rate mortgage (ARM) – a mortgage for which the interest rate changes in response to the movement of interest rates in the economy as a whole
2. Annuity – a contract sold by an insurance company that provides an investor with a series of regular payments, usually after retirement
3. Bonds – debt obligations of corporations or state or local governments
4. Capital gain – an increase in the value of stock above the price initially paid for it
5. Collision coverage – automobile insurance that protects your own car against damage from accidents or vehicle overturning
6. Deed – a document that transfers title of real property from one party to another
7. Depreciation – in real estate, the decline in value of property due to normal wear and tear
8. Disability insurance – an insurance plan that makes regular payments to replace income lost when illness or injury prevents the insured from working
9. Dividends – the part of the corporation's profits paid to stockholders
10. Equity – the difference between the market value of property and the amount owed on it
11. Estate – all that a person owns, less debts owed, at the time of the person's death
12. Estate planning – preparing a plan for transferring property during one's lifetime and at one's death
13. Fixed-rate mortgage – a mortgage on which the interest rate does not change during the term of the loan
14. Futures – contracts to buy and sell commodities or stocks for a specified price on a specified date in the future
15. Homeowner's policy – insurance that protects property owners from property and liability risks
16. Individual retirement account (IRA) – a retirement savings plan that allows individuals to set aside money in tax-deferred savings up to a limit set by the government
17. Inflation – a rise in the general level of prices
18. Insurance – a method of spreading individual risk among a large group of people to make losses more affordable for all
19. Insurer – a business that agrees to pay the cost of potential future losses in exchange for regular fee payments
20. Interest – money paid for the use of money; earnings on a savings account
21. Investing – the use of savings to earn a financial return

22. Landlord – the owner of rental property
23. Lease – a written agreement that allows a tenant to use property for a specified time period and rent
24. Liability coverage – insurance to protect against claims for bodily injury to another person or damage to another person's property
25. Lien – a financial claim on property
26. Life insurance – insurance that provides funds to the beneficiaries when the insured dies
27. Market value – the price for which a stock is bought and sold in the marketplace
28. Money market account – a combination savings-investment plan in which money deposited is used to purchase safe, liquid securities
29. Mortgage – a loan to purchase real estate
30. Mutual fund – a large, professionally managed group of investments
31. Personal risk – chances of loss involving income and standard of living
32. Policy – a written insurance contract
33. Policyholder – the person who owns an insurance policy
34. Power of attorney – a legal document authorizing someone to act on your behalf
35. Principal – the amount of money deposited by a saver
36. Property risk – the chances of loss or harm to personal or real property
37. Real estate – land and any buildings on it
38. Renter's policy – insurance that protects renters from property and liability risks
39. Risk management – an organized strategy for controlling financial loss from pure risks
40. Securities – stocks and bonds issued by corporations or the government
41. Security deposit – a refundable amount paid in advance to protect the owner against damage or nonpayment
42. Stockbroker – an employee of a brokerage firm who buys and sells securities for investors
43. Stockholders – shareholders; owners of a corporation
44. Tenant – the person who rents property from a landlord

45. Title – a legal document that establishes ownership
46. Vehicle Identification Number (VIN) – a unique number that identifies an automobile