**Course Description:**

Finance Foundations is the recommended second course in the Finance Career Field. Learners will develop knowledge and skills in financial analysis and evaluation, including industry-specific competencies in accounting, financial services and corporate finance. This course also includes learning outcomes in business law, governance and economics.

**Strand 1. Business Operations/21st Century Skills**

Learners apply principles of economics, business management, marketing and employability in an entrepreneur, manager and employee role to the leadership, planning, developing and analyzing of business enterprises related to the career field.

**Outcome 1.1. Employability Skills**

Develop career awareness and employability skills (e.g., face‐to‐face, online) needed for gaining and maintaining employment in diverse business settings.

**Competencies**

1.1.2. Identify the scope of career opportunities and the requirements for education, training, certification, licensure and experience.

1.1.3 Develop a career plan that reflects career interests, pathways, and secondary and postsecondary options.

**Outcome 1.2. Leadership and Communications**

Process, maintain, evaluate and disseminate information in a business. Develop leadership and team building to promote collaboration.

**Competencies**

1.2.1 Extract relevant, valid information from materials and cite sources of information.

1.2.2 Deliver formal and informal presentations.

1.2.3 Identify and use verbal, nonverbal, and active listening skills to communicate effectively.

1.2.5 Communicate information (e.g., directions, ideas, vision, workplace expectations) for an intended audience and purpose.

1.2.6 Use proper grammar and expression in all aspects of communication.

1.2.7 Use problem-solving and consensus-building techniques to draw conclusions and determine next steps.

1.2.10 Use interpersonal skills to provide group leadership, promote collaboration, and work in a team.

1.2.11 Write professional correspondence, documents, job applications and resumés.

1.2.12 Use technical writing skills to complete forms and create reports.

**Outcome 1.3. Business Ethics and Law**

Analyze how professional, ethical and legal behavior contributes to continuous improvement in organizational performance and regulatory compliance.

**Competencies**

1.3.3 Use ethical character traits consistent with workplace standards (e.g., honesty, personal integrity, compassion, justice).

1.3.9 Identify potential conflicts of interest (e.g., personal gain, project bidding) between personal, organizational and professional ethical standards.

**Outcome 1.4 Knowledge Management and Information Technology**

Demonstrate current and emerging strategies and technologies used to collect, analyze, record and share information in business operations.

**Competencies**

1.4.2 Select and use software applications to locate, record, analyze and present information (e.g., word processing, e-mail, spreadsheet, databases, presentation, Internet search engines).

1.4.5 Use information technology tools to maintain, secure and monitor business records.

1.4.6 Use an electronic database to access and create business and technical information.

1.4.7 Use personal information management and productivity applications to optimize assigned tasks (e.g., lists, calendars, address books).

1.4.8 Use electronic media to communicate and follow network etiquette guidelines.

**Outcome 1.9 Financial Management**

Use financial tools, strategies and systems to develop, monitor, and control the use of financial resources to ensure personal and business financial well-being.

**Competencies**

1.9.3 Review and summarize savings, investment strategies and purchasing options (e.g., cash, lease, finance, stocks, bonds).

1.9.8 Identify income sources and expenditures.

1.9.9 Compare and contrast different banking services available through financial institutions.

**Outcome 1.11 Principles of Business Economics**

Examine and employ economic principles, concepts, and policies to accomplish organizational goals and objectives.

**Competencies**

1.11.3 Use economic indicators to identify economic trends and conditions (e.g., inflation, interest rate fluctuations, unemployment rates).

1.11.4 Determine how the quality, quantity and pricing of goods and services are affected by domestic and international competition in a market economy.

1.11.5 Analyze factors that affect currency and exchange rates.

1.11.6 Explain how financial markets and government policies influence interest rates (credit ratings/debt ceiling), trade deficits and unemployment.

**Strand 2. Business Foundations**

Learners acquire foundational knowledge of business activities supported by economic principles, business processes and global business considerations.

**Outcome 2.1 Business Activities**

Relate business functions to business models, operations and strategies.

**Competencies**

2.1.1 Describe types of business models.

2.1.2 Explain why businesses exist and the role of business in society.

2.1.3 Explain forces driving business changes (e.g., globalization, consumer demand, government policies, legal/regulatory changes, political climate, diversity, spending trends, industry structure changes).

2.1.4 Explain the role and function of accounting and finance and how they interact with other business activities.

**Outcome 2.2 Economic Principles**

Relate principles of applied economics to business models, operations and strategies.

**Competencies**

2.2.3 Explain the types of economic systems (e.g., traditional, command, market, and mixed) and their advantages and disadvantages.

2.2.7 Describe the different type of taxes paid by businesses.

2.2.12 Describe the types of market structures (e.g., perfect competition, monopolistic, oligopoly, monopoly).

2.2.13 Explain the role of the Federal Reserve System and how its policies regulate the economy.

2.2.14 Compare and contrast the phases of business cycles (i.e., expansion, peak, contraction, trough).

**Outcome 2.3 Global Business**

Relate global business functions to internal business operations, activities and strategies.

**Competencies**

2.3.1 Describe the global environment in which businesses operate, identify leading economies.

2.3.2 Explain the impact of a country's geography, cultural history and social-political environments on global trade.

2.3.8 Describe regulatory policies and the government agencies that influence global trade and describe their impact.

**Outcome 2.4 Business Processes**

Relate business processes to business models, operations and strategies.

**Competencies**

2.4.3 Describe the relationship among policies, processes and procedures.

**Strand 3. Business Communications**

Learners communicate with internal and external stakeholders by applying relationship management techniques and business communication processes and strategies.

**Outcome 3.1. Customer Relations**

Develop, maintain and grow positive internal and external customer relationships.

**Competencies**

3.1.5 Describe the importance of maintaining confidentiality and security of customer information.

**Outcome 3.2 Relationship Management**

Manage internal and external business relationships.

**Competencies**

3.2.2 Explain how alignment between personal and organizational goals contributes to a successful business.

3.2.3 Adapt to and lead workplace changes or situations.

**Outcome 3.3 Business Communications Management**

Plan, create and evaluate internal and external business communications.

**Competencies**

3.3.1 Identify organizational communication protocols and select communication strategies as appropriate.

3.3.7 Describe the purpose of business communications in managing crises.

3.3.9 Interpret research data into information for decision-making (e.g., interpret descriptive statistics, correlations), and translate findings into actionable business recommendations.

**Strand 4. Business Governance**

Learners acquire foundational legal knowledge and apply business governance principles to minimize risk, maintain organizational compliance and establish and maintain organizational structure.

**Outcome 4.1 Risk Management Fundamentals**

Identify policies, processes and strategies to manage risk.

**Competencies**

4.1.4 Describe ways businesses prevent, control, transfer and retain risks.

4.1.5 Identify areas of enterprise risk that must be managed (e.g., security, confidentiality, privacy, processing integrity, availability).

**Outcome 4.3 Compliance**

Identify policies, processes and strategies to manage compliance.

**Competencies**

4.3.1 Describe need for compliance standards and potential penalties for noncompliance.

4.3.2 Explain the impact of compliance requirements on business structure, activities, products, services and pricing.

4.3.6 Analyze existing policies, procedures and documents to ascertain compliance with regulatory requirements and self-regulatory guidelines.

**Outcome 4.4. Legal Environment**

Identify legal processes and requirements that impact business operations.

**Competencies**

4.4.1 Distinguish between secured and unsecured creditors.

4.4.2 Explain the debtor-creditor relationship and legal protections provided each party, and determine relief options for debtors.

**Strand 6. Business Management**

Learners identify and apply policies, processes and strategies for effective management of information, projects, strategy and talent.

**Outcome 6.2 Strategic Planning**

Apply strategic planning processes.

**Competencies**

6.2.15 Distinguish key performance indicators across departments (e.g., finance, marketing, logistics) and select metrics to evaluate the performance of strategies.

**Strand 9. Financial Analysis and Evaluation**

Learners apply principles of financial and managerial accounting to collect, analyze and distribute financial data, evaluate investment opportunities and operate financial services.

**Outcome 9.1 Financial Principles**

Identify and apply principles of finance and accounting to plan and monitor the use of financial resources.

**Competencies**

9.1.1 Explain the role and function of profit and taxes and how they differ depending on business structure.

9.1.2 Explain how accounting standards impact business financial performance.

9.1.4 Analyze business performance utilizing financial ratios in the areas of liquidity, profitability, asset management, debt management and market valuation (e.g., current ratio, quick ratio, inventory turnover, debt ratio, gross margin, profit margin, return on assets, return on equity, earnings per share, price-earnings ratio).

9.1.5 Apply cost-benefit analysis to business decisions (e.g., total revenue, marginal revenue, output, profit).

9.1.6 Calculate and interpret financial ratios.

9.1.9 Identify traditional and non-traditional financing options.

9.1.10 Explain the impact of net present value and opportunity costs on capital investment decisions.

**Outcome 9.2 Corporate Investments**

Identify policies, processes and strategies for making investments.

**Competencies**

9.2.1 Identify sources of securities information.

9.2.2. Explain capital markets and corporate valuation models (e.g., stocks and bonds) used in finance.

9.2.3. Describe how financial needs differ in the stages of a business lifecycle (e.g., start-up, growth, maturity, decline).

**Outcome 9.4 Internal Controls**

Identify, select and evaluate internal controls in compliance with applicable regulations.

**Competencies**

9.4.1 Describe the impact of financial reporting and internal control regulations on control requirements (e.g., Sarbanes-Oxley Act of 2002, Dodd-Frank Wall Street Reform Act, Model Audit Rule, Government Accountability Standards).

9.4.4. Explain the role and function of internal controls (e.g.., cash controls, inventory controls, payroll controls, capital asset control, data protection, personal information controls).

**Outcome 9.5 Financial Accounting**

Apply principles of accounting to record and summarize financial transactions.

**Competencies**

9.5.1 Describe how basic accounting principles (e.g., Generally Accepted Accounting Principles [GAAP]) and requirements of accounting standards setting bodies (e.g., Financial Accounting Standards Board [FASB]) impact the accounting and auditing process.

9.5.2 Explain the accounting concepts that form the basis for accounting systems that comply with Generally Accepted Accounting Principles (GAAP) (e.g., accounting cycle, accounting method, accounting equation).

9.5.4 Identify the components of the accounting equation and identify how business transactions impact the equation and financial statements.

**Outcome 9.11 Financial Operations**

Apply policies, processes and strategies to operate financial service institutions.

**Competencies**

9.11.1 Describe lines of business (e.g., retail, commercial), and identify products and product features.

9.11.2 Explain the role and function of operations in businesses providing financial services (e.g., banking, insurance, securities operations) and how it interacts with other business activities.

9.11.5 Explain segregation of duties controls (e.g., dual vault control).

9.11.6 Analyze unique physical and information security risk factors applicable to financial services and recommend strategies for ensuring security.