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**PROGRAM CONCENTRATION:** Business & Computer Science  
**CAREER PATHWAY:** Financial Management - Services  
**COURSE TITLE:** Banking and Investing

Using project-based instruction, students are introduced to the basics of the banking system, bank operating procedures, negotiable instruments, and the deposit and credit functions of banks. Methods used for measuring the financial performance of banks are analyzed. Current issues and future trends in banking are examined. Students explore the major functions of bank employees by completing a flow-of-work simulation. Students formulate business and individual investment decisions by comparing and contrasting a variety of investment options. Students analyze annual reports, predict growth rates, and chart trend lines. Business partnerships with community banks, investment firms, stock market simulations, guest speakers, field trips, and work-based learning activities can be incorporated in this course. Competencies for the co-curricular student organization Future Business Leaders of America (FBLA) are integral components of the performance standards. FBLA activities should be incorporated throughout instructional strategies developed for the course.

**Prerequisite for Financial Management - Services Pathway:** Business Essentials

## **Banking Basics**

**BCS-BI-1. Students will demonstrate an understanding of basic banking concepts, terminology and operating procedures.**

- a. Explain the role of banking in the economy.
- b. Outline the history of banking.
- c. Describe the historical development of the Federal Reserve System.
- d. Identify banking trends.
- e. Define terminology unique to the banking industry.
- f. Describe the trustee function of a bank.
- g. Identify lines of business within banks (i.e., retail, commercial, trusts and investments, mortgages).
- h. Describe the role of money in the economy.
- i. Compare the functions of various types of financial institutions (i.e., banks, credit unions).
- j. Analyze the effects of deregulation.
- k. Identify legislation and regulations regarding banking practices (i.e., Bank Bribery Act, Bank Protection Act, Bank Secrecy Act, Electronic Funds Transfer Act, Equal Credit Opportunity Act, Fair Credit Reporting Act, Fair Lending, Fair Housing Act, FDIC Deposit Insurance, Home Mortgage Disclosure Act, Real Estate Settlement Procedures Act, Regulatory Compliance, Truth in Lending Act, Truth in Savings Act, USA PATRIOT Act).

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- l. Explain current trends in financial services deregulation and diversified financial services.
- m. Explain the role of banks in helping small business customers.
- n. Describe features and benefits of commercial banking products and services (i.e., commercial loans and lines of credit, depository accounts for commercial clients, retirement plans).
- o. Compare banking products and services available to individual customers.

**BCS-BI-2. Students will compare and contrast various types of negotiable instruments.**

- a. Identify different types of negotiable instruments (i.e., cashier's checks, savings bonds, money orders, traveler's checks, bank drafts).
- b. Trace the life cycle of a check.
- c. Compare and contrast various types of deposit accounts (i.e., checking, savings, certificates of deposit).

**BCS-BI-3. Students will analyze credit creation and its impact on financial institutions.**

- a. Define basic terminology used when discussing consumer credit products.
- b. Identify features and related benefits of consumer credit products.
- c. Compare and contrast different loan types (i.e., commercial loans and lines of credit, mortgages, auto).
- d. Analyze the process of credit creation.
- e. Describe secured and unsecured credit.
- f. Complete a credit application.
- g. Describe how to establish credit and its importance.
- h. Match consumer credit products to customer needs.
- i. Identify bank regulations that impact consumer credit.
- j. Describe the credit application process and actions taken at each stage to assure bank compliance.
- k. Explain credit scoring.
- l. Calculate interest.
- m. Compare mortgage options available through lending institutions (i.e., conventional fixed and adjustable-rate, FHA, VA loans).
- n. Identify client profile eligibility requirements for conventional and government secured mortgage options (i.e., FHA, VA).

**BCS-BI-4. Students will interpret and measure financial performance of banking institutions.**

- a. Describe how a bank generates revenue.
- b. Identify the major factors affecting bank performance.
- c. Identify the types of risks that banks must manage.

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- d. Describe how the profitability of various lines of business within the bank are evaluated.
- e. Evaluate reports reflecting financial data in banking.
- f. Compare performance ratios of banks.

**BCS-BI-5. Students will describe the effects of E-commerce on banking.**

- a. Describe E-commerce.
- b. Compare and contrast E-commerce with traditional business services.
- c. Describe legal and ethical issues for E-commerce.
- d. Explain payment options in E-commerce.
- e. Anticipate the possible effects of future technology on E-commerce.

**ACADEMIC STANDARDS:**

*SSEPF2. The student will explain that banks and other financial institutions are businesses which channel funds from savers to investors.*

*SSEPF4. The student will evaluate the costs and benefits of using credit.*

*ELA10RC3. The student acquires new vocabulary in each content area and uses it correctly.*

*ELA10RC4. The student establishes a context for information acquired by reading across subject areas.*

*ELA10LSV1. The student participates in student-to-teacher, student-to-student, and group verbal interactions.*

*MM2P1. Students will solve problems (using appropriate technology).*

*MM2P4. Students will make connections among mathematical ideas and to other disciplines.*

**Investing**

**BCS-BI-6. Students will demonstrate an understanding of basic investment principles.**

- a. Illustrate the importance of investing early and the time value of money.
- b. Illustrate the importance of investing on a regular basis and reinvesting earnings.
- c. Explain the role of the SEC, NYSE, NASDAQ, and other securities associations.
- d. Use the tools that analyze the trends and movements of investments.
- e. Evaluate the relationship between risk and return.
- f. Analyze sources of investment information (i.e., corporate financial statements).
- g. Describe the transaction process in buying and selling securities.

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- h. Compare interest rate versus inflation risk.
- i. Differentiate among interest, dividends, and capital gains.
- j. Define investment income, investment growth, investment liquidity, and retained earnings.
- k. Analyze the difference between conservative, safe and predictable investments, and speculative investments.
- l. Differentiate between growth investments and income investments.
- m. Compare and contrast the services of brokers and brokerage firms.

**BCS-BI-7. Students will identify the importance of investment planning and establishing financial goals.**

- a. Explain the need for investing to ensure financial well being.
- b. Establish goals for a saving or investment program.
- c. Identify the factors that affect investment choices.
- d. Differentiate between saving and investing.
- e. Describe the importance of creating an emergency fund.
- f. Assess the health of finances and conduct a financial check-up.
- g. Determine the factors to consider when choosing investments.
- h. Evaluate the overall risk factor of an investment by examining the different components of risk.
- i. Describe estate planning effects on investment planning and financial goals.

**BCS-BI-8. Students will demonstrate an understanding of various investment instruments.**

- a. Evaluate criteria for choosing a savings or investment instrument.
- b. Evaluate savings or investment instruments based on opportunity cost.
- c. Describe government securities and bonds.
- d. Evaluate local bond options as long-term investments.
- e. Identify commercial bank options such as CD's and money market accounts.
- f. Describe the operations of the stock market and evaluate equity funds.
- g. Evaluate mutual funds.
- h. Describe treasury bills.
- i. Evaluate savings bonds.
- j. Evaluate foreign exchange as an investment option.

**BCS-BI-9. Students will identify and describe employee retirement benefit package concepts.**

- a. Explain the investment opportunities related to workplace retirement plans.
- b. Identify basic components of an employment retirement benefits package.
- c. Describe the issues to be considered when planning for retirement.
- d. Describe the taxation concerns for retirement income.

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- e. Differentiate among employee options for retirement investing (i.e., individual retirement accounts and Roth IRA's, profit sharing plans, employee stock purchase plans, 401K plans, whole life and annuity life insurance policies).

**BCS-BI-10. Students will predict future investment trends.**

- a. Analyze financial needs and goals to determine financial requirements.
- b. Estimate future growth rates of selected equities using industry indicators.
- c. Predict investment returns.
- d. Evaluate individual investment and financial needs and devise asset allocation mixes that fit those needs.
- e. Explain why savings and investing plans change as one proceeds through the life cycle.
- f. Develop financial goals for the future based on one's lifestyle expectations and career choices.

**ACADEMIC STANDARDS:**

*SSEPF1. The student will apply rational decisions to the making of personal spending and savings choices.*

*SSEPF3. The student will explain how changes in monetary and fiscal policy can impact an individual's spending and savings choices.*

*ELA10RC3. The student acquires new vocabulary in each content area and uses it correctly.*

*ELA10RC4. The student establishes a context for information acquired by reading across subject areas.*

*ELA10LSV1. The student participates in student-to-teacher, student-to-student, and group verbal interactions.*

*MM2P1. Students will solve problems (using appropriate technology).*

*MM2P4. Students will make connections among mathematical ideas and to other disciplines.*

**International Finance**

**BCS-BI-11. Students will explain the concepts, role, and importance of international finance.**

- a. Explain how currency exchange rates affect companies.
- b. Identify potential problems associated with dealing in foreign currencies.

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- c. Calculate currency exchange transactions.
- d. Describe how economic conditions, balance of payment situations, and political issues affect currency values.
- e. List sources of capital for international, multinational, and global companies.
- f. Describe the international monetary system, including the International Monetary Fund, the World Bank, and Eurocurrencies.
- g. Identify different types of international banking organizations.
- h. Explain growth, regulations, and the impact of international banking on global business.
- i. Describe the mechanics, terminology, conditions, and terms of letters of credit and other documents.
- j. Identify essential components of payment documents used in payment for international trade activities.

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**Careers in Banking and Investing**

**BCS-BI-12. Students will identify banking and investing career opportunities.**

- a. Describe skills and job responsibilities for careers in the branch banking network (i.e., loan officer, teller, customer service representative, data processor, trust officer, mortgage broker, branch manager).
- b. Identify career opportunities in banking at the branch and corporate levels (i.e., marketing, human resource management, IT, training and development).
- c. Identify education requirements for careers in banking.
- d. Describe skills and job responsibilities for careers in investing (i.e., broker, investment advisor, financial planner, commodities representative, financial consultant, trader, mutual fund manager).
- e. Identify educational and licensing requirements for careers in investing.

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**BCS-BI-13. Students will provide customer service in banking.**

- a. Perform basic bank teller functions (i.e., prepare deposit slips; cash checks; verify endorsements; tender cash; balance cash drawer; issue cashier's checks, savings bonds, money orders, traveler's checks, bank drafts, and cash advances; facilitate usage of safe deposit boxes; respond to balance inquiries; transfer funds between accounts; detect and report counterfeit money; conduct customer identification procedures; recognize customer motivation and buying behavior; implement sales promotion, selling and service distribution components of bank's marketing plan).
- b. Perform new account functions (i.e., analyze customer needs; recognize customer motivation and buying behavior; implement sales promotion, selling and service distribution components of bank's marketing plan; input customer information, issue customer signature cards for accounts, issue safe deposit box).
- c. Perform lending functions (i.e., recognize customer motivation and buying behavior; implement sales promotion, selling and service distribution components of bank's marketing plan; analyze best loan alternative for customer; obtain written loan application; obtain credit report; evaluate collateral; approve/deny loan application; obtain required signatures; disburse loan funds).
- d. Perform bookkeeping functions (i.e., post and balance general ledger, process stop payments, prepare bank statements, assist customer with account reconciliation, process NSF's, encode transactions, transmit proof data to processing center, prepare balance settlement, process return items).

**BCS-BI-14. Students will describe skills needed for bank operations and management.**

- a. Identify technical skills to perform operations duties (i.e., managing cash needs to maintain cash reserves, tracking financial ratios to monitor bank's operations, overseeing information system to manage bank records, maintaining policy and procedure manual).
- b. Describe personnel management duties (i.e., maintaining adequate staff to meet workload demands, managing personnel budget, conducting employee reviews).
- c. Identify procedures to insure regulatory compliance of banks (i.e., developing procedures to meet regulatory guidelines, implementing internal audit procedures to reflect compliance, reviewing bank records to prepare for external examinations, comparing legal interpretations to clarify regulations).

**BCS-BI-15. Students will perform financial planning responsibilities.**

- a. Review client's financial information to determine current financial situation (i.e., interpret a balance sheet, analyze expenditure patterns, interpret a tax return).
- b. Review appropriate client information to set financial goals.
- c. Develop a financial plan to address customer needs.
- d. Review customer's financial information to determine tax liability.
- e. Review appropriate federal, state, and self-regulatory materials to identify regulatory requirements (i.e., SEC, CFTC, NASD).

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**CTAE Foundation Skills**

The Foundation Skills for Career, Technical and Agricultural Education (CTAE) are critical competencies that students pursuing any career pathway should exhibit to be successful. As core standards for all career pathways in all program concentrations, these skills link career, technical and agricultural education to the state's academic performance standards.

The CTAE Foundation Skills are aligned to the foundation of the U. S. Department of Education's 16 Career Clusters. Endorsed by the National Career Technical Education Foundation (NCTEF) and the National Association of State Directors of Career Technical Education Consortium (NASDCTEc), the foundation skills were developed from an analysis of all pathways in the sixteen occupational areas. These standards were identified and validated by a national advisory group of employers, secondary and postsecondary educators, labor associations, and other stakeholders. The Knowledge and Skills provide learners a broad foundation for managing lifelong learning and career transitions in a rapidly changing economy.

**CTAE-FS-1 Technical Skills:** Learners achieve technical content skills necessary to pursue the full range of careers for all pathways in the program concentration.

**CTAE-FS-2 Academic Foundations:** Learners achieve state academic standards at or above grade level.

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**CTAE-FS-3 Communications:** Learners use various communication skills in expressing and interpreting information.

**CTAE-FS-4 Problem Solving and Critical Thinking:** Learners define and solve problems, and use problem-solving and improvement methods and tools.

**CTAE-FS-5 Information Technology Applications:** Learners use multiple information technology devices to access, organize, process, transmit, and communicate information.

**CTAE-FS-6 Systems:** Learners understand a variety of organizational structures and functions.

**CTAE-FS-7 Safety, Health and Environment:** Learners employ safety, health and environmental management systems in corporations and comprehend their importance to organizational performance and regulatory compliance.

**CTAE-FS-8 Leadership and Teamwork:** Learners apply leadership and teamwork skills in collaborating with others to accomplish organizational goals and objectives.

**CTAE-FS-9 Ethics and Legal Responsibilities:** Learners commit to work ethics, behavior, and legal responsibilities in the workplace.

**CTAE-FS-10 Career Development:** Learners plan and manage academic-career plans and employment relations.

**CTAE-FS-11 Entrepreneurship:** Learners demonstrate understanding of concepts, processes, and behaviors associated with successful entrepreneurial performance.