

Banking and Finance

Levels:	Grades 10-12
Units of Credit:	0.50
CIP Code:	52.0813
Core Code:	32-02-00-00-080
Prerequisite:	None
Skill Test:	# 235

COURSE DESCRIPTION

Students will gain an understanding of the banking and financial industries. The course will include an understanding of economics as the underlying basis of the transfer and growth of money in our system. Students will gain an understanding of the securities, banking, and insurance industries. This will include information that will not only help them to be a better consumer, but to gain skills and knowledge to begin pursuit of careers in the various fields.

CORE STANDARDS, OBJECTIVES, AND INDICATORS

STANDARD 1

Students will understand the role of financial services in the economy.

Objective 1: Understand legislative and regulatory changes affecting financial services and products.

Objective 2: Describe the various financial products and services available. (Deposit accounts, investments, insurance)

Objective 3: Identify the various interest rates, their relationships, and their impact on the economy, including the prime, discount, and the federal funds rate.

Objective 4: Define inflation, deflation, recession, and economic cycles and their impact on the economy.

Objective 5: Describe how a financial institution makes money; the role of savers and borrowers; and how the money supply impacts global economies.

Objective 6: Describe common deposit accounts offered by financial institutions (savings, CDs, checking, money market).

STANDARD 2

Students will understand terminology within the financial services industry and the available career opportunities.

Objective 1: Identify the differences between banks, credit unions, and other financial services institutions.

Objective 2: Identify the differences between banks, credit unions, and other financial services institutions.

Objective 3: Define the purpose of the Federal Reserve as a central bank.

Objective 4: Identify career opportunities in the financial services industry.

STANDARD 3

Students will understand credit and lending functions and products within the financial services industry.

Objective 1: Distinguish between open and revolving loans vs. closed and installment loans.

Objective 2: Understand what a mortgage is; types of mortgages, mortgage fees, and how to compare mortgages.

Objective 3: Describe the process of obtaining a loan.

Objective 4: Describe the requirements of lending institutions for credit approval, i.e., Character, Capacity, Collateral, Capital, Conditions.

Objective 5: Identify ways to establish and maintain a good credit rating; the role of credit bureaus; the debt-to-income ratio.

Objective 6: Describe laws and regulations that relate to lending.

STANDARD 4

Students will understand basic financial concepts.

Objective 1: Explain the concept of compound interest and simple interest and the importance of time in accumulating wealth. (APR & APY should be included in discussion)

Objective 2: Explain amortization and how interest rates affect the costs of loans.

Objective 3: Explain the risk/reward rule and identify potential exceptions and consequences as a result of understanding the rule.

Objective 4: Discuss the time value of money and the Rule of 72.

Objective 5: Understand tax implications of different financial products and services.

STANDARD 5

Students will understand the structure of the Securities Markets.

Objective 1: Identify the various securities products and offerings.

Objective 2: Explain the role of FINRA and SEC in regulating securities activities, insider trading, and securities fraud.

Objective 3: Identify the various securities exchanges and the differences between them including: New York Stock Exchange (NYSE), American Stock Exchange (AMEX), National Association of Securities Dealers Automated Quotation system (NASDAQ), and Chicago Board of Trade (CBOT), over-the-counter (OTC) and penny stocks, and regional exchanges.

Objective 4: Identify international securities exchanges and the international foreign exchange market.

Objective 5: Explain the importance and role of various tracking devices and indexes in the securities market

Objective 6: Describe the process of executing a stock transaction and tracking your portfolio.

Objective 7: Identify the difference between a bull and a bear market.

STANDARD 6

Students will understand the process of valuing and selecting stocks and bonds.

Objective 1: Discuss the various measurements of valuing a public company including: price earnings (PE) ratio, dividends, earnings per share (EPS), etc.

Objective 2: Identify the differences between common and preferred stocks.

Objective 3: Define margin and short selling and explain the effect it has upon investors.

Objective 4: Explain why stock prices change (supply, demand, stock splits, and current events).

Objective 5: Explain how to read and understand a stock quote.

Objective 6: Explain the concept of Dollar-Cost-Averaging and its use to minimize risk.

Objective 7: Describe the characteristics of Corporate Bonds, Convertible Bonds, Treasury Bills and Bonds, Savings Bonds, and Municipal Bonds.

Objective 8: Explain the reasons a company would issue Stocks (Equity) or Bonds (Debt) to raise needed funds.

STANDARD 7

Students will understand the process of valuing and selecting mutual funds and/or ETFs.

Objective 1: Describe the net asset value (NAV) as it relates to the daily valuing of a mutual fund.

Objective 2: Describe the advantages and disadvantages of investing via mutual funds and/or EFTs as opposed to investing directly via individual stocks.

Objective 3: Describe the different fees associated with investing and owning mutual funds and/or ETFs.

Objective 4: Explain what is meant by a Family of Funds, and the advantages and disadvantages of investing via one family.

STANDARD 8

Students will understand the role of insurance in the financial services industry.

Objective 1: Define insurance as it relates to the transfer of risk from one party to another.

Objective 2: Describe the regulatory environment of the insurance industry, and explain the role of the State Insurance Commission.

Objective 3: Identify and describe different types of insurance including, but not limited to, disability, auto, health, product liability, errors and omission, life, credit, homeowners, title, and mortgage.

Objective 4: Define basic terminology including, but not limited to, premium, grace period, riders, endorsements, deductibles, liability, and claim.

Objective 5: Describe the benefits and restrictions of Term Life insurance.

Objective 6: Describe the characteristics of Whole Life and Universal Life insurance including face amount, cash value, premium, etc.