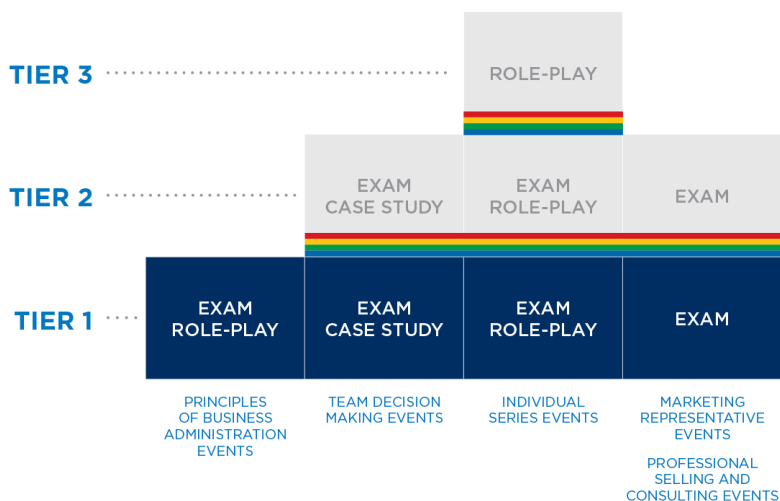


Finance Cluster

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Performance Indicators

- Performance indicators for **PRINCIPLES OF BUSINESS ADMINISTRATION** role-plays and exams will be selected from the business administration core (Tier 1).
- Performance indicators for **TEAM DECISION MAKING** case studies and exams will be selected from the business administration core (Tier 1) and appropriate career cluster (Tier 2).
- Performance indicators for **INDIVIDUAL SERIES** exams will be selected from the business administration core (Tier 1) and appropriate career cluster (Tier 2). Performance indicators for the role-plays will be selected from the business administration core (Tier 1), appropriate career cluster (Tier 2) and appropriate pathway (Tier 3).
- Performance Indicators for the exams used for **PROFESSIONAL SELLING AND CONSULTING EVENTS** will be selected from the business administration core (Tier 1) and appropriate career cluster (Tier 2).

Key

PQ = Prerequisite level performance indicator content develops employability and job-survival skills and concepts, including work ethics, personal appearance, and general business behavior.
 CS = Career Sustaining level performance indicator content develops skills and knowledge needed for continued employment in or study of business based on the application of basic academics and business skills.
 SP = Specialist level performance indicator content provides in-depth, solid understanding and skill development in all business functions.

An asterisk () indicates a new performance indicator*

The **Business Administration Core** performance indicators will be used when preparing for all exams, role-play scenarios, and case studies in the following events:

- Accounting Applications Series Event
- Business Finance Series Event
- Financial Consulting Event
- Financial Services Team Decision Making Event

Instructional Area: Business Law (BL)

Standard: Understands business's responsibility to know, abide by, and enforce laws and regulations that affect business operations and transactions

Performance Element: Acquire foundational knowledge of business laws and regulations to understand their nature and scope.

Performance Indicators:

- Comply with the spirit and intent of laws and regulations (BL:163) (CS)*
- Discuss the nature of law and sources of law in the United States (BL:067) (SP)
- Describe the United States' judicial system (BL:068) (SP)
- Describe methods used to protect intellectual property (BL:051) (SP)
- Describe legal issues affecting businesses (BL:001) (SP)

Performance Element: Understand the civil foundations of the legal environment of business to demonstrate knowledge of contracts.

Performance Indicators:

- Identify the basic torts relating to business enterprises (BL:069) (SP)
- Describe the nature of legally binding contracts (BL:002) (SP)

Performance Element: Explore the regulatory environment of United States' businesses to understand the diversity of regulations.

Performance Indicators:

- Describe the nature of legal procedure (BL:070) (SP)
- Discuss the nature of debtor-creditor relationships (BL:071) (SP)
- Explain the nature of agency relationships (BL:072) (SP)
- Discuss the nature of environmental law (BL:073) (SP)
- Discuss the role of administrative law (BL:074) (SP)

Performance Element: Apply knowledge of business ownership to establish and continue business operations.

Performance Indicators:

- Explain types of business ownership (BL:003) (CS)

Performance Element: Acquire knowledge of commerce laws and regulations to continue business operations.

Performance Indicators:

- Explain the nature of import/export law (BL:145) (SP)
- Describe the nature of customs regulations (BL:126) (SP)

Instructional Area: Communication Skills (CO)

Standard: Understands the concepts, strategies, and systems used to obtain and convey ideas and information

Performance Element: Read to acquire meaning from written material and to apply the information to a task.

Performance Indicators:

Identify sources that provide relevant, valid written material (CO:054) (PQ)

Extract relevant information from written materials (CO:055) (PQ)

Apply written directions to achieve tasks (CO:056) (PQ)

Analyze company resources to ascertain policies and procedures (CO:057) (CS)

Performance Element: Apply active listening skills to demonstrate understanding of what is being said.

Performance Indicators:

Explain communication techniques that support and encourage a speaker (CO:082) (PQ)

Follow oral directions (CO:119) (PQ)

Demonstrate active listening skills (CO:017) (PQ)

Performance Element: Apply verbal skills to obtain and convey information.

Performance Indicators:

Explain the nature of effective verbal communications (CO:147) (PQ)

Ask relevant questions (CO:058) (PQ)

Interpret others' nonverbal cues (CO:059) (PQ)

Provide legitimate responses to inquiries (CO:060) (PQ)

Give verbal directions (CO:083) (PQ)

Employ communication styles appropriate to target audience (CO:084) (CS)

Defend ideas objectively (CO:061) (CS)

Handle telephone calls in a businesslike manner (CO:114) (CS)

Participate in group discussions (CO:053) (CS)

Facilitate (lead) group discussions (CO:201) (SP)

Make oral presentations (CO:025) (SP)

Performance Element: Record information to maintain and present a report of business activity.

Performance Indicators:

Utilize note-taking strategies (CO:085) (CS)

Organize information (CO:086) (CS)

Select and use appropriate graphic aids (CO:087) (CS)

Performance Element: Write internal and external business correspondence to convey and obtain information effectively.**Performance Indicators:**

- Explain the nature of effective written communications (CO:016) (CS)
- Select and utilize appropriate formats for professional writing (CO:088) (CS)
- Edit and revise written work consistent with professional standards (CO:089) (CS)
- Write professional emails (CO:090) (CS)
- Write business letters (CO:133) (CS)
- Write informational messages (CO:039) (CS)
- Write inquiries (CO:040) (CS)
- Write persuasive messages (CO:031) (SP)
- Write executive summaries (CO:091) (SP)
- Prepare simple written reports (CO:094) (SP)
- Explain how digital communications (e.g., email, text messages, chats) exposes business to risk (CO:202) (SP)
- Adapt written correspondence to targeted audiences (CO:203) (SP)
- Use data visualization techniques (e.g., infographics, heat-maps, dynamic model outputs) (CO:204) (SP)

Performance Element: Use social media to communicate with a business's stakeholders.**Performance Indicators:**

- Describe the impact of a person's social media brand on the achievement of organizational objectives (CO:205) (CS)
- Distinguish between using social media for business and personal purposes (CO:206) (CS)

Performance Element: Communicate with staff to clarify workplace objectives.**Performance Indicators:**

- Explain the nature of staff communication (CO:014) (CS)
- Choose and use appropriate channel for workplace communication (CO:092) (CS)
- Participate in a staff meeting (CO:063) (CS)
- Participate in problem-solving groups (CO:067) (CS)

Instructional Area: Customer Relations (CR)

Standard: Understands the techniques and strategies used to foster positive, ongoing relationships with customers

Performance Element: Foster positive relationships with customers to enhance company image.

Performance Indicators:

Explain the nature of positive customer relations (CR:003) (CS)

Demonstrate a customer-service mindset (CR:004) (CS)

Develop rapport with customers (CR:029) (CS)

Reinforce service orientation through communication (CR:005) (CS)

Respond to customer inquiries (CR:006) (CS)

Adapt communication to the cultural and social differences among clients (CR:019) (CS)

Interpret business policies to customers/clients (CR:007) (CS)

Build and maintain relationships with customers (CR:030) (SP)

Performance Element: Resolve conflicts with/for customers to encourage repeat business.

Performance Indicators:

Handle difficult customers (CR:009) (CS)

Handle customer/client complaints (CR:010) (CS)

Performance Element: Reinforce company's image to exhibit the company's brand promise.

Performance Indicators:

Identify company's brand promise (CR:001) (CS)

Determine ways of reinforcing the company's image through employee performance (CR:002) (CS)

Performance Element: Understand the nature of customer relationship management to show its contributions to a company.

Performance Indicators:

Discuss the nature of customer relationship management (CR:016) (SP)

Explain the role of ethics in customer relationship management (CR:017) (SP)

Describe the use of technology in customer relationship management (CR:018) (SP)

Instructional Area: Economics (EC)

Standard: Understands the economic principles and concepts fundamental to business operations

Performance Element: Understand fundamental economic concepts to obtain a foundation for employment in business.

Performance Indicators:

- Distinguish between economic goods and services (EC:002) (CS)
- Explain the concept of economic resources (EC:003) (CS)
- Describe the concepts of economics and economic activities (EC:001) (CS)
- Determine economic utilities created by business activities (EC:004) (CS)
- Explain the principles of supply and demand (EC:005) (CS)
- Describe the functions of prices in markets (EC:006) (CS)

Performance Element: Understand the nature of business to show its contributions to society.

Performance Indicators:

- Explain the role of business in society (EC:070) (CS)
- Describe types of business activities (EC:071) (CS)
- Describe types of business models (EC:138) (SP)
- Explain the organizational design of businesses (EC:103) (SP)
- Discuss the global environment in which businesses operate (EC:104) (SP)
- Describe factors that affect the business environment (EC:105) (SP)
- Explain the nature of business ethics (EC:106) (SP)
- Explain how organizations adapt to today's markets (EC:107) (SP)

Performance Element: Understand economic systems to be able to recognize the environments in which businesses function.

Performance Indicators:

- Explain the types of economic systems (EC:007) (CS)
- Identify the impact of small business/entrepreneurship on market economies (EC:065) (CS)
- Explain the concept of private enterprise (EC:009) (CS)
- Identify factors affecting a business's profit (EC:010) (CS)
- Determine factors affecting business risk (EC:011) (CS)
- Explain the concept of competition (EC:012) (CS)

Performance Element: Acquire knowledge of the impact of government on business activities to make informed economic decisions.

Performance Indicators:

- Determine the relationship between government and business (EC:008) (CS)
- Describe the nature of taxes (EC:072) (SP)

Performance Element: Analyze cost/profit relationships to guide business decision-making.**Performance Indicators:**

Explain the concept of productivity (EC:013) (CS)

Analyze impact of specialization/division of labor on productivity (EC:014) (SP)

Explain the concept of organized labor and business (EC:015) (SP)

Explain the impact of the law of diminishing returns (EC:023) (SP)

Performance Element: Understand economic indicators to recognize economic trends and conditions.**Performance Indicators:**

Discuss the measure of consumer spending as an economic indicator (EC:081) (SP)

Describe the economic impact of inflation on business (EC:083) (SP)

Explain the concept of Gross Domestic Product (GDP) (EC:017) (SP)

Discuss the impact of a nation's unemployment rates (EC:082) (SP)

Explain the economic impact of interest-rate fluctuations (EC:084) (SP)

Determine the impact of business cycles on business activities (EC:018) (SP)

Performance Element: Understand global trade's impact to aid business decision-making.**Performance Indicators:**

Explain the nature of global trade (EC:016) (SP)

Discuss the impact of globalization on business (EC:109) (SP)

Describe the determinants of exchange rates and their effects on the domestic economy (EC:100) (SP)

Explain cultural considerations that impact global business relations (EC:110) (SP)

Discuss the impact of cultural and social environments on global trade (EC:045) (SP)

Describe the impact of electronic communication tools (e.g., Internet, video- and computer-conferencing, webcasts, email) on global business activities (EC:111) (SP)

Explain the impact of major trade alliances on business activities (EC:112) (SP)

Describe the impact of the political environment on world trade (EC:113) (SP)

Explain the impact of geography on world trade (EC:114) (SP)

Describe the impact of a country's history on world trade (EC:115) (SP)

Explain the impact of a country's economic development on world trade (EC:116) (SP)

Discuss the impact of bribery and foreign monetary payments on business (EC:140) (SP)

Identify requirements for international business travel (e.g., passport, visa, proof of citizenship, immunizations, and sponsorship letters) (EC:141) (SP)

Instructional Area: Emotional Intelligence (EI)

Standard: Understands techniques, strategies, and systems used to foster self-understanding and enhance relationships with others

Performance Element: Foster self-understanding to recognize the impact of personal feelings on others.

Performance Indicators:

- Describe the nature of emotional intelligence (EI:001) (PQ)
- Explain the concept of self-esteem (EI:016) (PQ)
- Recognize and overcome personal biases and stereotypes (EI:017) (PQ)
- Assess personal strengths and weaknesses (EI:002) (PQ)
- Assess personal behavior and values (EI:126) (PQ)*

Performance Element: Develop personal traits to foster career advancement.

Performance Indicators:

- Identify desirable personality traits important to business (EI:018) (PQ)
- Exhibit self-confidence (EI:023) (PQ)
- Demonstrate interest and enthusiasm (EI:020) (PQ)
- Demonstrate initiative (EI:024) (PQ)

Performance Element: Apply ethics to demonstrate trustworthiness.

Performance Indicators:

- Demonstrate honesty and integrity (EI:022) (PQ)
- Demonstrate responsible behavior (EI:021) (PQ)
- Demonstrate fairness (EI:127) (PQ)*
- Assess risks of personal decisions (EI:091) (PQ)*
- Demonstrate ethical work habits (EI:004) (PQ)
- Take responsibility for decisions and actions (EI:075) (PQ)
- Build trust in relationships (EI:128) (CS)*
- Describe the nature of ethics (EI:123) (CS)*
- Explain reasons for ethical dilemmas (EI:124) (CS)*
- Recognize and respond to ethical dilemmas (EI:125) (CS)*
- Manage commitments in a timely manner (EI:077) (CS)
- Develop tolerance for ambiguity (EI:092) (CS)*

Performance Element: Exhibit techniques to manage emotional reactions to people and situations.

Performance Indicators:

- Exhibit a positive attitude (EI:019) (PQ)
- Demonstrate self-control (EI:025) (PQ)
- Explain the use of feedback for personal growth (EI:003) (PQ)
- Adjust to change (EI:026) (PQ)

Performance Element: Identify with others' feelings, needs, and concerns to enhance interpersonal relations.

Performance Indicators:

- Respect the privacy of others (EI:029) (PQ)
- Show empathy for others (EI:030) (PQ)
- Maintain the confidentiality of others (EI:103) (CS)
- Exhibit cultural sensitivity (EI:033) (CS)
- Leverage personality types in business situations (EI:104) (SP)

Performance Element: Use communication skills to foster open, honest communications.

Performance Indicators:

- Explain the nature of effective communications (EI:007) (PQ)
- Explain ethical considerations in providing information (EI:038) (SP)
- Foster open, honest communication (EI:129) (SP)*
- Collaborate with others (EI:130) (SP)*
- Solicit feedback (EI:106) (SP)
- Use social media to solicit new ideas and solutions (EI:107) (SP)

Performance Element: Use communication skills to influence others.

Performance Indicators:

- “Sell” ideas to others (EI:108) (SP)
- Persuade others (EI:012) (SP)
- Demonstrate negotiation skills (EI:062) (SP)

Performance Element: Manage stressful situations to minimize potential negative impact.

Performance Indicators:

- Use appropriate assertiveness (EI:008) (PQ)
- Use conflict-resolution skills (EI:015) (CS)
- Explain the nature of office politics (EI:109) (CS)
- Overcome problems and difficulties associated with office politics/turf wars (EI:095) (CS)
- Explain the nature of stress management (EI:028) (SP)

Performance Element: Implement teamwork techniques to accomplish goals.

Performance Indicators:

- Participate as a team member (EI:045) (CS)
- Use consensus-building skills (EI:011) (SP)
- Motivate team members (EI:059) (SP)

Performance Element: Employ leadership skills to achieve workplace objectives.**Performance Indicators:**

- Explain the concept of leadership (EI:009) (CS)
- Explain the nature of ethical leadership (EI:131) (CS)*
- Model ethical behavior (EI:132) (CS)*
- Determine personal vision (EI:063) (CS)
- Inspire others (EI:133) (CS)*
- Demonstrate adaptability (EI:006) (CS)
- Develop an achievement orientation (EI:027) (CS)
- Challenge the status quo (EI:134) (CS)*
- Lead change (EI:005) (CS)
- Enlist others in working toward a shared vision (EI:060) (CS)
- Coach others (EI:041) (CS)
- Use power appropriately (EI:135) (SP)*
- Recognize/Reward others for their efforts and contributions (EI:014) (SP)*

Performance Element: Manage internal and external business relationships to foster positive interactions.**Performance Indicators:**

- Treat others with dignity and respect (EI:036) (PQ)
- Foster positive working relationships (EI:037) (CS)
- Consider conflicting viewpoints (EI:136) (CS)*
- Assess long-term value and impact of actions on others (EI:137) (SP)*
- Maintain collaborative partnerships with colleagues (EI:061) (SP)
- Explain the impact of political relationships within an organization (EI:034) (SP)
- Explain the nature of organizational culture (EI:064) (SP)
- Interpret and adapt to a business's culture (EI:112) (SP)

Instructional Area: Entrepreneurship (EN)

Standard: Understands the concepts, processes, and skills associated with identifying new ideas, opportunities, and methods and with creating or starting a new project or venture

Performance Element: Understand fundamental factors about entrepreneurship to recognize its role and importance in the economy

Performance Indicators:

Describe the nature of entrepreneurship (EN:039) (SP)

Explain the role requirements of entrepreneurs and owners (EN:040) (SP)

Describe small-business opportunities in international trade (EN:041) (SP)

Instructional Area: Financial Analysis (FI)

Standard: Understands tools, strategies, and systems used to maintain, monitor, control, and plan the use of financial resources

Performance Element: Understand the fundamental principles of money needed to make financial exchanges.

Performance Indicators:

Explain forms of financial exchange (cash, credit, debit, electronic funds transfer, etc.) (FI:058) (PQ)

Identify types of currency (paper money, coins, banknotes, government bonds, treasury notes, etc.) (FI:059) (PQ)

Describe functions of money (medium of exchange, unit of measure, store of value) (FI:060) (PQ)

Describe sources of income (wages/salaries, interest, rent, dividends, transfer payments, etc.) (FI:061) (PQ)

Explain the time value of money (FI:062) (CS)

Explain the purposes and importance of credit (FI:002) (CS)

Explain legal responsibilities associated with financial exchanges (FI:063) (CS)

Performance Element: Analyze financial needs and goals to determine financial requirements.

Performance Indicators:

Explain the nature of financial needs (e.g., college, retirement, wills, insurance, etc.) (FI:064) (CS)

Explain the need to save and invest (FI:270) (CS)

Set financial goals (FI:065) (CS)

Develop personal budget (FI:066) (CS)

Determine personal net worth (FI:562) (CS)*

Performance Element: Manage personal finances to achieve financial goals.**Performance Indicators:**

- Explain the nature of tax liabilities (FI:067) (PQ)
- Interpret a pay stub (FI:068) (PQ)
- Prepare bank account documents (e.g., checks, deposit/withdrawal slips, endorsements, etc.) (FI:560) (PQ)
- Maintain financial records (FI:069) (PQ)
- Read and reconcile bank statements (FI:070) (PQ)
- Calculate the cost of credit (FI:782) (CS)*
- Demonstrate the wise use of credit (FI:071) (CS)
- Validate credit history (FI:072) (CS)
- Make responsible financial decisions (FI:783) (CS)*
- Protect against identity theft (FI:073) (CS)
- Pay bills (FI:565) (CS)*
- Apply for a consumer loan (FI:625) (SP)*
- Control debt (FI:568) (CS)*
- Prepare personal income tax forms (i.e., 1040 EZ form) (FI:074) (CS)
- Discuss the nature of retirement planning (FI:569) (CS)*
- Explain the nature of estate planning (FI:572) (CS)*

Performance Element: Understand the use of financial-services providers to aid in financial-goal achievement.**Performance Indicators:**

- Describe types of financial-services providers (FI:075) (CS)
- Discuss considerations in selecting a financial-services provider (FI:076) (CS)

Performance Element: Use investment strategies to ensure financial well-being.**Performance Indicators:**

- Explain types of investments (FI:077) (CS)

Performance Element: Use risk management products to protect a business's financial well-being.**Performance Indicators:**

- Describe the concept of insurance (FI:081) (CS)

Performance Element: Acquire a foundational knowledge of accounting to understand its nature and scope.

Performance Indicators:

Describe the need for financial information (FI:579) (CS)

Explain the concept of accounting (FI:085) (CS)

Discuss the role of ethics in accounting (FI:351) (SP)

Explain the use of technology in accounting (FI:352) (SP)

Explain legal considerations for accounting (FI:353) (SP)

Performance Element: Implement accounting procedures to track money flow and to determine financial status.

Performance Indicators:

Describe the nature of cash flow statements (FI:091) (SP)

Explain the nature of balance sheets (FI:093) (SP)

Describe the nature of income statements (FI:094) (SP)

Performance Element: Acquire a foundational knowledge of finance to understand its nature and scope.

Performance Indicators:

Explain the role of finance in business (FI:354) (CS)

Discuss the role of ethics in finance (FI:355) (SP)

Explain legal considerations for finance (FI:356) (SP)

Performance Element: Manage financial resources to ensure solvency.

Performance Indicators:

Describe the nature of budgets (FI:106) (SP)

Instructional Area: Human Resources Management (HR)

Standard: Understands the tools, techniques, and systems that businesses use to plan, staff, lead, and organize its human resources

Performance Element: Understand the role and function of human resources management to obtain a foundational knowledge of its nature and scope.

Performance Indicators:

Discuss the nature of human resources management (HR:410) (CS)

Explain the role of ethics in human resources management (HR:411) (SP)

Describe the use of technology in human resources management (HR:412) (SP)

Performance Element: Manage staff growth and development to increase productivity and employee satisfaction.

Performance Indicators:

Orient new employees (HR:360) (CS)

Instructional Area: Marketing (MK)

Standard: Understands the tools, techniques, and systems that businesses use to create exchanges and satisfy organizational objectives

Performance Element: Understand marketing's role and function in business to facilitate economic exchanges with customers.

Performance Indicators:

Explain marketing and its importance in a global economy (MK:001) (CS)

Describe marketing functions and related activities (MK:002) (CS)

Performance Element: Acquire foundational knowledge of customer/client/business behavior to understand what motivates decision-making.

Performance Indicators:

Explain factors that influence customer/client/business buying behavior (MK:014) (SP)

Discuss actions employees can take to achieve the company's desired results (MK:015) (SP)

Demonstrate connections between company actions and results (e.g., influencing consumer buying behavior, gaining market share, etc.) (MK:019) (SP)

Instructional Area: Information Management (NF)

Standard: Understands tools, strategies, and systems needed to access, process, maintain, evaluate, and disseminate information to assist business decision-making

Performance Element: Use information literacy skills to increase workplace efficiency and effectiveness.

Performance Indicators:

- Assess information needs (NF:077) (CS)
- Obtain needed information efficiently (NF:078) (CS)
- Evaluate quality and source of information (NF:079) (CS)
- Draw conclusions based on information analysis (NF:278) (CS)*
- Apply information to accomplish a task (NF:080) (CS)
- Store information for future use (NF:081) (CS)

Performance Element: Acquire a foundational knowledge of information management to understand its nature and scope.

Performance Indicators:

- Discuss the nature of information management (NF:110) (CS)
- Explain the role of ethics in information management (NF:111) (SP)
- Explain legal issues associated with information management (NF:076) (SP)

Performance Element: Utilize information-technology tools to manage and perform work responsibilities.

Performance Indicators:

- Identify ways that technology impacts business (NF:003) (PQ)
- Explain the role of information systems (NF:083) (PQ)
- Discuss principles of computer systems (NF:084) (PQ)
- Use basic operating systems (NF:085) (PQ)
- Describe the scope of the Internet (NF:086) (PQ)
- Demonstrate basic e-mail functions (NF:004) (PQ)
- Demonstrate personal information management/productivity applications (NF:005) (PQ)
- Demonstrate basic web-search skills (NF:006) (PQ)
- Demonstrate basic word processing skills (NF:007) (PQ)
- Demonstrate basic presentation applications (NF:008) (PQ)
- Demonstrate basic database applications (NF:009) (PQ)
- Demonstrate basic spreadsheet applications (NF:010) (PQ)
- Use an integrated business software application package (NF:088) (CS)
- Demonstrate collaborative/groupware applications (NF:011) (CS)
- Create and post basic web page (NF:042) (CS)
- Collaborate on and aggregate complex internal documents to create a common voice (NF:215) (SP)

Performance Element: Maintain business records to facilitate business operations.**Performance Indicators:**

Describe the nature of business records (NF:001) (SP)

Maintain customer records (NF:002) (SP)

Performance Element: Acquire information to guide business decision-making.**Performance Indicators:**

Describe current business trends (NF:013) (SP)

Monitor internal records for business information (NF:014) (SP)

Conduct an environmental scan to obtain business information (NF:015) (SP)

Interpret statistical findings (NF:093) (SP)

Translate research findings into actionable business recommendations (NF:216) (SP)

Performance Element: Create and access databases to acquire information for business decision-making.**Performance Indicators:**

Explain the principles of data analysis (NF:139) (SP)

Explain the nature of tools that can be used to access information in the database system (NF:140) (SP)

Access information in the database system (NF:141) (SP)

Performance Element: Apply data mining methods to acquire pertinent information for business decision-making.**Performance Indicators:**

Discuss the nature of data mining (NF:148) (CS)

Describe data mining tools and techniques (NF:149) (SP)

Discuss the importance of ethics in data mining (NF:150) (SP)

Demonstrate basic data mining techniques (NF:151) (SP)

Interpret data mining findings (NF:152) (SP)

Instructional Area: Operations (OP)

Standard: Understands the processes and systems implemented to monitor, plan, and control the day-to-day activities required for continued business functioning

Performance Element: Understand operation's role and function in business to value its contribution to a company.

Performance Indicators:

Explain the nature of operations (OP:189) (CS)

Discuss the role of ethics in operations (OP:190) (SP)

Describe the use of technology in operations (OP:191) (SP)

Performance Element: Adhere to health and safety regulations to support a safe work environment.

Performance Indicators:

Describe health and safety regulations in business (OP:004) (PQ)

Report noncompliance with business health and safety regulations (OP:005) (PQ)

Performance Element: Implement safety procedures to minimize loss.

Performance Indicators:

Follow instructions for use of equipment, tools, and machinery (OP:006) (PQ)

Follow safety precautions (OP:007) (PQ)

Maintain a safe work environment (OP:008) (CS)

Explain procedures for handling accidents (OP:009) (CS)

Handle and report emergency situations (OP:010) (CS)

Performance Element: Implement security policies/procedures to minimize chance for loss.

Performance Indicators:

Explain routine security precautions (OP:013) (CS)

Follow established security procedures/policies (OP:152) (CS)

Protect company information and intangibles (OP:153) (CS)

Performance Element: Comply with security rules, regulations, and codes (e.g., property, privacy, access, confidentiality) to protect customer and company information, reputation, and image.

Performance Indicators:

Explain information privacy, security, and confidentiality considerations in business (OP:441) (CS)

Maintain data security (OP:064) (CS)

Performance Element: Utilize project-management skills to improve workflow and minimize costs.**Performance Indicators:**

Plan project (OP:519) (CS)*

Monitor projects and take corrective actions (OP:520) (CS)*

Evaluate project success (OP:521) (CS)*

Explain the nature of project management (OP:158) (SP)

Identify resources needed for project (OP:003) (SP)

Develop project plan (OP:001) (SP)

Apply project-management tools to monitor and communicate project progress (OP:002) (SP)

Evaluate project results (OP:159) (SP)

Performance Element: Implement purchasing activities to obtain business supplies, equipment, resources, and services.**Performance Indicators:**

Explain the nature and scope of purchasing (OP:015) (CS)

Place orders/reorders (OP:016) (CS)

Maintain inventory of supplies (OP:031) (CS)

Discuss the importance of utilizing ethical purchasing methods (OP:246) (SP)

Explain the impact of the purchasing process on productivity (OP:247) (SP)

Manage the bid process in purchasing (OP:160) (SP)

Select vendors (OP:161) (SP)

Evaluate vendor performance (OP:162) (SP)

Performance Element: Understand production's role and function in business to recognize its need in an organization.**Performance Indicators:**

Explain the concept of production (OP:017) (CS)

Performance Element: Implement quality-control processes to minimize errors and to expedite workflow.**Performance Indicators:**

Identify quality-control measures (OP:163) (SP)

Utilize quality control methods at work (OP:164) (SP)

Describe crucial elements of a quality culture (OP:019) (SP)

Performance Element: Implement expense-control strategies to enhance a business's financial wellbeing.

Performance Indicators:

Explain the nature of overhead/operating costs (OP:024) (SP)

Explain employee's role in expense control (OP:025) (SP)

Performance Element: Maintain property and equipment to facilitate ongoing business activities.

Performance Indicators:

Comply with policies and procedures for use of property and equipment (OP:442) (CS)

Performance Element: Understand supply chain management role to recognize its need in business.

Performance Indicators:

Explain the concept of supply chain (OP:443) (CS)

Explain the benefits of supply chain collaboration (OP:444) (SP)

Instructional Area: Professional Development (PD)

Standard: Understands concepts, tools, and strategies used to explore, obtain, and develop in a business career

Performance Element: Acquire self-development skills to enhance relationships and improve efficiency in the work environment.

Performance Indicators:

Maintain appropriate personal appearance (PD:002) (PQ)

Demonstrate systematic behavior (PD:009) (PQ)

Set personal goals (PD:018) (CS)

Balance personal and professional responsibilities (PD:179) (SP)

Performance Element: Understand and follow company rules and regulations to maintain employment.

Performance Indicators:

Adhere to company protocols and policies (PD:250) (CS)

Follow rules of conduct (PD:251) (CS)

Follow chain of command (PD:252) (CS)

Performance Element: Achieve organizational goals to contribute to company growth.

Performance Indicators:

Determine the nature of organizational goals (PD:254) (SP)

Ascertain employee's role in meeting organizational goals (PD:255) (SP)

Performance Element: Utilize critical-thinking skills to determine best options/outcomes.

Performance Indicators:

Explain the need for innovation skills (PD:126) (CS)

Make decisions (PD:017) (CS)

Demonstrate problem-solving skills (PD:077) (CS)

Demonstrate appropriate creativity (PD:012) (SP)

Use time-management skills (PD:019) (SP)

Performance Element: Participate in career planning to enhance job-success potential.

Performance Indicators:

Assess personal interests and skills needed for success in business (PD:013) (PQ)

Analyze employer expectations in the business environment (PD:020) (PQ)

Explain the rights of workers (PD:021) (PQ)

Identify sources of career information (PD:022) (CS)

Identify tentative occupational interest (PD:023) (CS)

Explain employment opportunities in business (PD:025) (CS)

Explain career opportunities in entrepreneurship (PD:066) (CS)

Performance Element: Implement job-seeking skills to obtain employment.**Performance Indicators:**

Utilize job-search strategies (PD:026) (PQ)

Complete a job application (PD:027) (PQ)

Interview for a job (PD:028) (PQ)

Write a follow-up letter after job interviews (PD:029) (CS)

Write a letter of application (PD:030) (CS)

Prepare a résumé (PD:031) (CS)

Use networking techniques to identify employment opportunities (PD:037) (SP)

Performance Element: Utilize career-advancement activities to enhance professional development.**Performance Indicators:**

Describe techniques for obtaining work experience (e.g., volunteer activities, internships) (PD:032) (PQ)

Explain the need for ongoing education as a worker (PD:033) (PQ)

Explain possible advancement patterns for jobs (PD:034) (PQ)

Identify skills needed to enhance career progression (PD:035) (SP)

Utilize resources that can contribute to professional development (e.g., trade journals/periodicals, professional/trade associations, classes/seminars, trade shows, and mentors) (PD:036) (SP)

Instructional Area: Strategic Management (SM)

Standard: Understands tools, techniques, and systems that affect a business's ability to plan, control, and organize an organization/department

Performance Element: Recognize management's role to understand its contribution to business success.

Performance Indicators:

Explain the concept of management (SM:001) (CS)

Performance Element: Identify potential business threats and opportunities to protect a business's financial well-being.

Performance Indicators:

Explain the nature of risk management (SM:075) (SP)

Conduct a risk assessment of an event (SM:076) (SP)

The **Finance Career Cluster** performance indicators will be used when preparing for all exams, role-play scenarios, and case studies in the following events:

- Accounting Applications Series Event
- Business Finance Series Event
- Financial Consulting Event
- Financial Services Team Decision Making Event

Instructional Area: Business Law (BL)

Standard: Understands business's responsibility to know, abide by, and enforce laws and regulations that affect business operations and transactions

Performance Element: Understand government regulations pertaining to the finance industry to protect the company wellbeing.

Performance Indicators:

Discuss legal considerations in the finance industry (BL:133) (SP)

Discuss the effect of tax laws and regulations on financial transactions (BL:134) (SP)

Performance Element: Acquire a foundational knowledge of compliance to understand its nature and scope.

Performance Indicators:

Discuss the nature and scope of compliance in the finance industry (BL:148) (SP)

Describe the use of technology in compliance (BL:149) (SP)

Instructional Area: Customer Relations (CR)

Standard: Understands the techniques and strategies used to foster positive, ongoing relationships with customers

Performance Element: Understand characteristics, motivations, and behaviors of clients in finance to facilitate client interaction.

Performance Indicators:

Explain the responsibilities of finance professionals in providing client services (CR:012) (CS)

Performance Element: Utilize technology to facilitate customer relationship management.

Performance Indicators:

Use Customer Relationship Management (CRM) technology (CR:024) (SP)

Instructional Area: Financial Analysis (FI)

Standard: Understands tools, strategies, and systems used to maintain, monitor, control, and plan the use of financial resources

Performance Element: Understand financial markets to recognize their importance in business.

Performance Indicators:

Describe the role of financial institutions (FI:336) (CS)

Explain types of financial markets (e.g., money market, capital market, insurance market, commodities markets, etc.) (FI:337) (SP)

Discuss the nature of convergence/consolidation in the finance industry (FI:573) (SP)

Describe the relationship between economic conditions and financial markets (FI:574) (SP)

Explain the nature and scope of financial globalization (FI:575) (SP)

Performance Element: Utilize sources of securities information to make informed financial decisions.

Performance Indicators:

Describe sources of securities information (FI:274) (CS)

Interpret securities table (FI:275) (SP)

Explain the nature of statements of changes in equity (FI:630) (SP)

Performance Element: Manage financial resources to ensure solvency.

Performance Indicators:

Calculate the time value of money (FI:238) (SP)

Performance Element: Understand the fundamentals of managerial accounting to aid in financial decision-making.

Performance Indicators:

Explain the nature of managerial cost accounting (e.g., activities, costs, cost drivers, etc.) (FI:657) (SP)

Describe the scope of costs in managerial accounting (e.g., direct cost, indirect cost, sunk cost, differential cost, etc.) (FI:658) (SP)

Describe marginal analysis techniques and applications (FI:659) (SP)

Explain the role of managerial accounting techniques in business management (FI:660) (SP)

Discuss the use of variance analysis in managerial accounting (FI:661) (SP)

Discuss the nature of cost accounting budgets (FI:662) (SP)

Discuss the nature of cost allocation (FI:663) (SP)

Instructional Area: Information Management (NF)

Standard: Understands tools, strategies, and systems needed to access, process, maintain, evaluate, and disseminate information to assist business decision-making

Performance Element: Utilize information-technology tools to manage and perform work responsibilities.

Performance Indicators:

Demonstrate advanced database applications (NF:124) (SP)

Instructional Area: Professional Development (PD)

Standard: Understands concepts, tools, and strategies used to explore, obtain, and develop in a business career

Performance Element: Participate in career planning to enhance job-success potential.

Performance Indicators:

Discuss employment opportunities in the finance industry (PD:152) (CS)

Performance Element: Utilize career-advancement activities to enhance professional development.

Performance Indicators:

Discuss opportunities for building professional relationships in finance (PD:153) (SP)

Performance Element: Acquire knowledge of corporate governance to be aware of the restraints imposed upon finance functions.

Performance Indicators:

Discuss the importance of corporate governance in business (PD:213) (CS)

Ascertain employee's role in achieving governance objectives (PD:301) (CS)

Identify the factors that impact governance structures (PD:302) (SP)

Describe the components of a well-governed company (e.g., board of directors, reporting, transparency, internal and external audit functions) (PD:214) (SP)

Describe the impact of governance processes on decision-making and management functions (PD:303) (SP)

Instructional Area: Financial-Information Management (FM)

Standard: Understands tools, strategies, and systems needed to access, process, maintain, evaluate, and disseminate financial information to assist business decision-making

Performance Element: Acquire foundational knowledge of financial-information management to understand its scope and nature.

Performance Indicators:

Explain the nature and scope of the financial-information management function (FM:002) (SP)

Explain the role of ethics in financial-information management (FM:003) (SP)

Performance Element: Utilize financial information technology tools to manage financial information and perform work responsibilities.

Performance Indicators:

Describe the use of technology in the financial-information management function (FM:011) (SP)

Demonstrate budgeting applications (FM:013) (SP)

Demonstrate financial analysis applications (FM:014) (SP)

Performance Element: Acquire foundational knowledge of financial information analysis to aid in financial decision-making.

Performance Indicators:

Describe techniques used to analyze customer financial information (FM:009) (SP)

Discuss non-traditional uses for financial information (e.g., lean, sustainability reporting, activity-based costing [ABC], six sigma) (FM:016) (SP)

Instructional Area: Risk Management (RM)

Standard: Understands risk-management strategies and techniques used to minimize business loss

Performance Element: Acquire a foundational understanding of risk management to demonstrate knowledge of its nature and scope.

Performance Indicators:

Explain the role of ethics in risk management (RM:041) (SP)

Describe the use of technology in risk management (RM:042) (SP)

Discuss legal considerations affecting risk management (RM:043) (SP)

Performance Element: Explore risk control to understand its relationship to risk management.

Performance Indicators:

Discuss the nature of risk control (i.e., internal and external) (RM:058) (SP)

Performance Element: Manage risk to protect a business's well-being.

Performance Indicators:

Discuss the nature of enterprise risk management (ERM) (RM:062) (SP)

The Finance Pathway performance indicators will be used when preparing for the role-play scenarios for the following event:

- Accounting Applications Series Event (Accounting Pathway)
- Business Finance Series Event (Corporate Finance Pathway, pp. 36-44)

Instructional Area: Business Law (BL)

Standard: Understands business's responsibility to know, abide by, and enforce laws and regulations that affect business operations and transactions

Performance Element: Implement compliance measures in corporate finance to adhere to regulatory requirements.

Performance Indicators:

Comply with financial reporting and internal control laws and regulations in corporate finance (BL:155) (SP)

Instructional Area: Emotional Intelligence (EI)

Standard: Understands techniques, strategies, and systems used to foster self-understanding and enhance relationships with others

Performance Element: Manage internal and external business relationships to foster positive interactions.

Performance Indicators:

Explain the impact of business customs and practices on global trade (EI:082) (SP)

Describe the nature of business customs and practices in the North American market (EI:083) (SP)

Explain the nature of business customs and practices in Western Europe (EI:084) (SP)

Explain the nature of business customs and practices in Eastern Europe (EI:117) (SP)

Explain the nature of business customs and practices in Latin America (EI:085) (SP)

Describe the nature of business customs and practices in the Pacific Rim (EI:086) (SP)

Discuss the nature of business customs and practices in the Middle East (EI:087) (SP)

Explain the nature of business customs and practices in South Asia (EI:118) (SP)

Describe the nature of business customs and practices in Northern Africa (EI:119) (SP)

Discuss the nature of business customs and practices in Sub-Saharan Africa (EI:120) (SP)

Instructional Area: Financial Analysis (FI)

Standard: Understands tools, strategies, and systems used to maintain, monitor, control, and plan the use of financial resources

Performance Element: Understand fundamental financial concepts to appropriately manage business finances.

Performance Indicators:

- Discuss the nature of depreciation (FI:345) (SP)
- Describe the nature of cash flows (FI:359) (SP)
- Discuss the nature of corporate bonds (FI:523) (SP)
- Discuss the cost of corporate bonds (FI:524) (SP)
- Discuss the issuance of stock from a corporation (FI:526) (SP)
- Discuss the cost of common stock (FI:528) (SP)
- Discuss the nature of stock options (FI:729) (SP)
- Discuss the nature of Initial Public Offerings (FI:730) (SP)

Performance Element: Manage payment and collection systems to efficiently use cash.

Performance Indicators:

- Describe components of a payment system (FI:733) (SP)
- Describe components of a collection system (FI:734) (SP)
- Manage bank accounts (e.g., scope of services, fee structures, system integration) (FI:735) (SP)

Performance Element: Use short-term financial management to manage current assets and liabilities.

Performance Indicators:

- Describe the nature of short-term financial management (FI:513) (SP)
- Describe cash management procedures (FI:739) (SP)
- Explain the use of cash budgets (FI:505) (SP)
- Analyze the impact of accounts payable schedules on working capital (FI:633) (SP)
- Analyze the impact of accounts receivable collection on working capital cycle (FI:637) (SP)
- Discuss the impact of employee benefits on business financials (FI:639) (SP)
- Discuss the impact of obsolescence on business expense (FI:641) (SP)
- Prepare cash flow budgets/forecasts (FI:507) (SP)
- Analyze cash budget/forecast variances (FI:508) (SP)
- Evaluate leases (FI:740) (SP)

Performance Element: Apply strategies to improve liquidity

Performance Indicators:

- Develop policies to manage trade credit (FI:741) (SP)

Performance Element: Apply knowledge of capital markets to make suitable financial decisions.

Performance Indicators:

Explain the role of capital markets in business finance (FI:360) (SP)

Calculate stock-related values (e.g., the value of a constant growth stock, the expected value of future dividends, the expected rate of return, etc.) (FI:367) (SP)

Calculate bond-related values (e.g., the price of a bond given its yield to maturity, the coupon interest payment for a bond, the effects of interest rates on the price of a bond, etc.) (FI:236) (SP)

Performance Element: Analyze finances to assist in capital budgeting decision-making.

Performance Indicators:

Explain the nature of capital investment (FI:078) (SP)

Explain methods used to analyze capital investments (e.g., payback period, discounted break-even, net present value, accounting rate of return, internal rate of return, etc.) (FI:745) (SP)

Explain the impact of the cost of capital on capital investments (FI:746) (SP)

Calculate the cost of capital and its components (e.g., debt, equity) (FI:747) (SP)

Calculate cash flows associated with an investment (e.g., initial investment, operating cash inflows, operating cash outflows, terminal flows) (FI:492) (SP)

Use the time value of money to make business decisions (e.g., projects, investments, etc.) (FI:646) (SP)

Calculate capital investment return (e.g., payback, net present value, internal rate of return) (FI:748) (SP)

Performance Element: Analyze proposed business projects to select acceptable project that enhances firm value

Performance Indicators:

Identify project benefits and costs (FI:750) (SP)

Performance Element: Manage capital investments to realize expected benefits.

Performance Indicators:

Monitor project portfolio (FI:753) (SP)

Performance Element: Use long-term financial management to ensure solvency.

Performance Indicators:

Manage loans (FI:756) (SP)

Manage investment portfolio (FI:757) (SP)

Manage pension investment portfolio (FI:758) (SP)

Performance Element: Apply fundamental knowledge of dividends to assist in the distribution of dividends.

Performance Indicators:

Explain forms of dividends (FI:346) (SP)

Explain the nature of dividend reinvestment plans (DRIPs) (FI:530) (SP)

Performance Element: Understand financial planning in business finance to strive for business goals.

Performance Indicators:

Discuss the financial planning process (FI:502) (SP)

Discuss the nature of short-term (operating) financial plans (FI:503) (SP)

Performance Element: Understand the fundamentals of managerial accounting to aid in financial decision-making.

Performance Indicators:

Differentiate among management accounting responsibility centers (i.e., cost, profit, investment, revenue) (FI:717) (SP)

Discuss the use of cost-volume-profit analysis (FI:718) (SP)

Discuss cost accounting systems and overhead allocation (e.g., job order costing, process costing, activity-based costing [ABC], project costing) (FI:719) (SP)

Distinguish between variable costing and absorption costing (FI:720) (SP)

Describe common management accounting performance measures (e.g., balanced scorecard, return on investment [ROI], customer profitability analysis, etc.) (FI:721) (SP)

Discuss the role of standard costing in the preparation and analysis of budgets (FI:722) (SP)

Describe the nature of flexible budgets (FI:723) (SP)

Explain the role of transfer pricing in managerial accounting (FI:724) (SP)

Explain the impact of business operational practices (e.g., total quality management [TQM], lean production, just-in-time [JIT], etc.) on managerial accounting (FI:725) (SP)

Performance Element: Conduct profit planning to forecast business profit.

Performance Indicators:

Perform budgetary cost analysis (e.g., direct cost, indirect cost, sunk cost, differential cost, etc.) (FI:768) (SP)

Perform responsibility center budgeting (i.e., cost, profit, investment, revenue) (FI:769) (SP)

Discuss the nature of pro forma statements (FI:509) (SP)

Performance Element: Utilize a company's financial statements to analyze its financial situation.

Performance Indicators:

Discuss the analysis of a company's financial situation using its financial statements (FI:546) (SP)

Discuss external forces affecting a company's value (FI:547) (SP)

Explain how value is created for a company (FI:548) (SP)

Performance Element: Produce financial reports to communicate the results of business activity.

Performance Indicators:

Analyze transactions and accounts (e.g., purchase, sales, sales returns and allowances, uncollectible accounts, depreciation, debt) (FI:449) (SP)

Performance Element: Analyze ownership change transactions to aid in corporate growth and development.

Performance Indicators:

Compare mergers and acquisitions (FI:347) (SP)

Explain the nature of hostile takeovers (FI:536) (SP)

Explain divestiture concepts (e.g., spin-offs, split-ups, etc.) (FI:772) (SP)

Performance Element: Implement suitable internal accounting controls to ensure the proper recording of financial transactions.

Performance Indicators:

Explain the purpose of internal accounting controls (FI:343) (SP)

Maintain internal accounting controls (FI:480) (SP)

Instructional Area: Information Management (NF)

Standard: Understands tools, strategies, and systems needed to access, process, maintain, evaluate, and disseminate information to assist business decision-making

Performance Element: Utilize technology to perform business finance functions.

Performance Indicators:

Describe manual and computerized treasury systems (NF:240) (CS)

Describe the nature of Extensible Business Reporting Language (XBRL) (NF:241) (SP)

Use treasury systems (e.g., cash management, budgeting, forecasting) (NF:242) (SP)

Instructional Area: Professional Development (PD)

Standard: Understands concepts, tools, and strategies used to explore, obtain, and develop in a business career

Performance Element: Understand careers in business finance to determine which role and responsibilities best match personal abilities and traits.

Performance Indicators:

Explain the role and responsibilities of financial management personnel (PD:215) (SP)

Describe the role and responsibilities of risk management personnel (PD:218) (SP)

Discuss the role and responsibilities of treasury management personnel (PD:219) (SP)

Performance Element: Explore licensing and certification in the field of business finance to enhance professional development.

Performance Indicators:

Explain professional designations in the field of business finance (e.g., CF, CFA, CCM, CTP, CFM, etc.) (PD:221) (SP)

Performance Element: Acquire knowledge of accounting standards to record, report, and evaluate financial data appropriately.

Performance Indicators:

Discuss the roles and responsibilities of accounting-standard-setting bodies (i.e., SEC, FASB, IASB, GASB) (PD:295) (SP)

Compare U.S. Generally Accepted Accounting Principles (GAAP) and International Financial Reporting Standards (IFRS) (PD:296) (SP)

Instructional Area: Risk Management (RM)

Standard: Understands risk-management strategies and techniques used to minimize business loss

Performance Element: Administer contracts to achieve organizational goals and minimize risk.

Performance Indicators:

Identify financial risk factors associated with business contracts (e.g., ratio requirements, restricted transactions, financial report filing requirements) (RM:077) (SP)

Monitor for breach of contract of non-performance related terms and conditions (RM:078) (SP)

Maintain contract compliance documentation (RM:079) (SP)

Evaluate alternative revenue arrangements (e.g., cost-plus pricing, contingent fees) (RM:080) (SP)

Establish monitoring programs for contract-specific revenue arrangements (RM:081) (SP)

Develop monitoring programs for restrictive contract requirements (RM:082) (SP)

Establish processes for timely reporting of required information (RM:083) (SP)

Performance Element: Manage risk to protect a business's well-being.

Performance Indicators:

Discuss the relationship between risk management and business finance (RM:047) (SP)

Describe types of financial risks (e.g., interest rate risk, equity risk, commodity risk, etc.) (RM:086) (SP)

Discuss the nature of risk measurement (RM:048) (SP)