



Business Finance and Economics, Course Outline

Basic Course Information

Course Name: Business Finance and Economics

Credits: 10

Course Length: 2 semesters

Domain: CTE

Honors: no

UC A-G: pending

UC A-G Requirement Fulfilled: G History/Social Science

CTE Industry Sector: Finance and Business

Other Information: meets graduation requirement for Economics

Grade Levels: 12

Prerequisites: Business Technology and Finance

Corequisites: n/a

Course Creation/Revision Date: October 2019

Course Description and Content

Course Description: This course provides an in-depth, hands-on study of the fundamental micro and macro economic principles as they relate to business financial activity and outcomes. Concepts taught in this course will enable students to understand key elements involved in planning and managing business financial success. This course also meets the graduation requirement for Economics by providing skills to enable students to function more effectively in our economy as participating citizens, productive workers, and informed consumers.

Course Units:

Course content is based on the CA Economics Standards and the CTE Standards for Business Financial Management in the Business and Finance Industry Sector. The assignments require a synthesis and application of learned economic, business, and financial topics in order to analyze issues and demonstrate knowledge.

UNIT 1 - FREE ENTERPRISE IN THE UNITED STATES

- Financial systems
 - Functions of a free market economy
 - Functions of money
 - Goals of the U. S. economic system
1. Explain how individuals, businesses, and government interact to create a financial system.
 2. Describe how the circular flow of money, resources, and products explain the function of a free market economy.
 3. Discuss and analyze the three functions of money and their importance to the free enterprise system.

4. Identify the goals of the U.S. economic system and describe Government efforts to stabilize the economy during significant economic fluctuations.

KEY ASSIGNMENTS: Free Enterprise in the United States

• Choose a school club and write a report regarding a fund-raiser for this club. Relate the three basic economic questions to this fundraiser. Detail the type of economic system a school represents and include a discussion of competition and profit-incentive related to the fund-raiser. Present findings to the class.

UNIT 2 - CONSUMER FINANCE

- Wants vs. needs
- Scarcity and opportunity cost
- Savings and investment options
- Credit options
- Consumer protection

1. Explain the concept of wants versus needs.

2. Define and provide examples of the concepts of scarcity and opportunity cost. 3. Summarize the key differences of consumer savings and investment options.

4. Differentiate credit options and perform a cost-benefit analysis of using credit.

5. Explain how consumer interests are protected in our market economy.

Key Assignment: Consumer Finance

• Create a credit portfolio that contains information and examples of consumer credit and government regulation of it. Produce a visual comparison and analysis of various consumer credit options.

UNIT 3 - BUSINESS OWNERSHIP AND ORGANIZATION

- Major business activities • Forms of business ownership
- Economic role of small business
- Business organization

1. Describe the three major activities of business: production, marketing, and finance.

2. Evaluate the advantages and disadvantages of sole proprietorships, partnerships, and corporations.

3. Analyze the differences between for-profit, non-profit, and government owned/operated organizations.

4. Explain the role of small business in the U.S. economy.

5. Chart the typical organization of a large corporation and a small business and discuss key differences.

Key Assignment: Business Ownership and Organization

• Choose one form of business ownership and provide a written analysis that describes advantages and disadvantages of ownership, local examples, and a typical organizational chart.

UNIT 4 - BUSINESS ECONOMIC DECISION MAKING

- Market structures
- Productivity
- Competition
- Marketing decision factors
- Supply and demand effects
- Business cycles
- Government regulation

1. Compare and contrast market structures: perfect competition, monopolistic competition, oligopoly, and pure monopoly.

2. Conduct a cost-benefit analysis in order to identify ways in which business managers can improve productivity.

3. Explain business competition as it relates to the marketing decisions of price, product, place, and promotion.

4. Explain how supply and demand affect the value of a company, its assets, and its products.

5. Understand and identify the contributing economic factors to business cycles throughout development of the U.S. economy.

6. Draw conclusions regarding the effect of economic conditions and government regulations on business activity throughout the development of the U.S. economy.

Key Assignment: Business Economic Decision Making

• Select an industry (i.e. airline, banking, cosmetics, drug, or toy industry) and describe, in a written report, the effect of government regulation on business activity in that industry.

UNIT 5 - BUSINESS FINANCIAL GOAL SETTING

- Financial management goals and functions
- Financial obligations
- Return on investment
- Business mergers
- Growth and competition

1. Explain the primary goals and functions of business financial management.
2. List typical business financial obligations and debt.
3. Defend the need for return on investment in a market economy.
4. Research and analyze the causes and effects of various business mergers.
5. Relate productivity improvement and financial growth to future competitive advantage.

Key Assignments: Business Financial Goal Setting

• Select and conduct research on a specific business merger that occurred at least two years ago. Present findings that describe how and why the merger occurred and its effects.

UNIT 6 - UNDERSTANDING BUSINESS FINANCIAL STATEMENTS

- Basic financial statements
 - Uses and users of financial statements
1. Identify and understand standard business financial statements.
 2. Detail the important uses and users of financial statements.

Key Assignment: Understanding Business Financial Statements

• Select a public company and collect at least two years consecutive annual reports. Write an article for a business journal or magazine that describes the changes in these financial statements, the reasons for these changes, and the outlook for the company.

UNIT 7 - BUSINESS FINANCIAL BUDGET DEVELOPMENT

- Purpose and development process
 - Accounting cycle
 - Accuracy and security of records
 - Basic analysis and interpretation of financial statements
 - Risk and return
 - Technology applications
1. Explain the purpose of budgets and the process for developing a financial budget.
 2. Understand basic accounting activities and procedures in the accounting cycle.
 3. Justify the importance of accurate, complete, and secure financial records for a business.
 4. Use basic concepts of financial analysis to interpret financial statements.
 5. Analyze and interpret financial statements to compare risk and return.
 6. Understand and use technology to access and analyze financial information.

Key Assignment: Business Financial Budget Development

• Create a graphical representation describing the major steps in the accounting cycle.

UNIT 8 - BUSINESS ACTIVITY FINANCING

- Owner's equity
- Business expenses
- Financing for business growth
- Commercial real estate financing
- Options for raising capital
- Debt financing and bonds

- Credit ratings
 - Equity financing and the stock market
 - Public versus private business ownership
1. Define the concept of owner's equity
 2. Detail typical business expenses in a small business.
 3. Explain how businesses grow.
 4. Understand the basic concepts of commercial real estate financing.
 5. Investigate the financing services banks and other financial institutions offer to businesses.
 6. Understand the concept of debt financing through bonds.
 7. Explain credit ratings and their importance to business financing.
 8. Synthesize knowledge and information to explain what a stock market is and how it contributes to business financing.
 9. Compare and contrast the advantages and disadvantages of public vs. private business ownership.
- Key Assignment: Business Activity Financing • Select a company that went from private to public ownership. Compare and contrast the advantages and disadvantages of private vs. public business ownership for this company in a research report.

UNIT 9 - INTERNATIONAL BUSINESS AND TRADE

- Imports and exports
 - Balance of trade
 - Exchange rates
 - Effect of culture
 - International trade organizations, treaties, and trading blocs
 - Nature, growth, and importance of international trade and investment
1. Explain the concept of comparative advantage in relation to imports and exports.
 2. Examine the balance of trade and explain its significance to the U.S. economy.
 3. Analyze the effect of fluctuations in exchange rates on domestic and foreign trade.
 4. Research and articulate the effect of culture on economic practice and business ethics.
 5. Debate the pros and cons of international trade organizations, treaties, and trading blocs.
 6. Research the nature, growth, and importance of international trade and investment to U.S. business.
- Key Assignment: International Business and Trade • In a team format, debate the pros and cons of protectionism, free trade, and government intervention in foreign trade. • Develop a timeline that details fluctuations in the exchange rate between the dollar and another country's currency. Include an analysis of the effect of these fluctuations on trade between these two countries. ESSAY TEST: The students will respond to the following essay question in class: Explain the phrase, "The World is Flat." Analyze the effect of this fundamental shift on U.S. businesses.

Framework: <https://www.cde.ca.gov/ci/ct/sf/documents/bizfinance.pdf>

Required Assessments n/a

Course Materials

Text Book Title: Business Finance
Author: Les Dlabay and James L. Burrow
Edition:
Publisher: Thomson South-Western
Publication Date: 2008

Text Url: <https://www.amazon.com/Business-Finance-DECA-Dlabay/dp/0538445076>

Other Materials:

Economics Today and Tomorrow, Roger Miller, McGraw-Hill (2011)

Junior Achievement Economics. 2nd. ed. Colorado Springs, CO: Junior Achievement, 2000.

Approval Dates: October 2019