

**DESE Model Curriculum: Business Finance** (CIP Code: 52.0803)

GRADE LEVEL/UNIT TITLE: 11-12/Saving & Investing

<b>COURSE INTRODUCTION</b>			
<p>This is an introductory course for Banking and Financial Support Services which also operates a student bank as the implementation practicum. This course also introduces the student to personal finance, including opening and maintaining a checking account, and credit card pitfalls and proper use, a very important skill for all young adults. It is designed to familiarize the student with all aspects of a typical bank including savings, loans, operations, and audit functions. It also covers the history of banking, the organizational structure, and the operations and marketing of a student bank.</p> <p>Course rationale: Financial literacy is essential in meeting the financial challenges of the 21st Century. The course provides valuable experience in running an actual bank while learning to analyze personal financial decisions, evaluate the costs and benefits of their decisions, recognize the rights and responsibilities as consumers, and apply the knowledge learned in school to financial situations encountered later in life.</p>			
<b>UNIT DESCRIPTION</b>			<b>SUGGESTED UNIT TIMELINE</b>
<p>Explain the power of saving and investing money, describe how businesses make money, understand the risk and potential return in the Investment Stock market. Describe mutual funds, explain the advantage of mutual fund investing, and analyze statistical information. Read and understand Stock Tables and describe the role of a stock holder. The value of long term investment programs.</p>			throughout 2 <sup>nd</sup> half of course
			<b>CLASS PERIOD (min.)</b>
			50 min.
<b>ESSENTIAL QUESTIONS</b>			
<ol style="list-style-type: none"> <li>1. What is the difference between saving and investing?</li> <li>2. How does a person know what companies to invest and how to invest considering the risk of losing accumulated wealth?</li> <li>3. How do I apply a basic knowledge of choosing saving versus investments given market risk, inflation risk, interest rate risk, liquidity issues, and how much do I need to start investing?</li> </ol>			
<b>ESSENTIAL MEASURABLE LEARNING OBJECTIVES</b>		<b>NBEA STANDARD</b>	<b>DOK</b>
1. Illustrate the power of compounding and the damage of inflation?		PF.IV.1 MNGT.II.2 PF.IV.2 MNGT.IV.1 PF.IV.3 MNGT.IV.2 PF.IV.4 MNGT.IV.3 MNGT.II.1	3
2. Describe and illustrate the characteristics of Stock Funds, Government and Corporate Bond Funds, and others.		ECON.II.1 PF.IV.2 ECON.II.2 PF.IV.3 ECON.II.3-4 PF.IV.4 PF.IV.1	3
3. Learn about managed Funds (mutual funds) versus Indexed Funds		PF.V.1 PF.V.3 PF.V.2 PF.V.4	2
4. Introduce safety and risk of the Stock Market, and selecting an investment strategy appropriate for individual circumstances.		PF.V.1 PF.V.4 PF.V.2 PF.IV.2 PF.V.3	2

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5.	Explain stock investment basics and the ways to invest in the Stock Market for wealth and retirement.	PF.V.1 PF.V.2 PF.V.3	PF.V.4 PF.IV.2	4
6.	Familiarize students about important investment terms and categories of achieving wealth thru 401K, IRA, and ROTH IRA retirement accounts.	PF.IV.1 PF.IV.2 PF.IV.3 PF.IV.4 PF.V.1	PF.V.2 PF.V.3 PF.V.4	2
7.	Learn about past investment scams that rocked confidence including examples Ponzi Schemes, the failure of ENRON and WorldCom. Learn about the successes of famous investors and why they were successful.	PF.IV.1 PF.IV.2 PF.IV.3 PF.IV.4 PF.V.1	PF.V.2 PF.V.3 PF.V.4	3
<b>OBJ. #</b>	<b>INSTRUCTIONAL STRATEGIES</b>			
1, 2	1. The teacher will explain why the Federal Government issues Bonds. Introduce the change from selling Government Bonds in the open market to the Federal Reserve becoming the primary purchaser of US Government (Treasury) debt and its implications.			
2, 3, 5, 6	2. The teacher will demonstrate and familiarize students with publicly available information on company's performance. Start with well-known companies of interest to students like Apple (AAPL) or WalMart (WMT). Introduce students to key ratios and graphs of performance. Compare the performance of investing in a company from its infancy of public trading would do to wealth building. Use the attached example (Investing with Nickels and Dimes) to foster discussion on modest beginnings of people who become millionaires.			
2, 4, 5, 7	3. The teacher will begin each class during this unit with a topic of a company of interest that is in the current news and develop a curiosity in students to pay attention to the developing business news around them. Weave it into discussion of what it takes to identify the worthiness of investing in various companies.			
<b>OBJ. #</b>	<b>INSTRUCTIONAL ACTIVITIES</b>			
1-5	1. Students will debate the wisdom of the US Government's Treasury borrowing from the US Federal Reserve. Have students answer the question as to why investors purchase government bonds. Students will research, write a brief paper, and discuss on why corporations borrow in the form of corporate bonds.			
3-6	2. Students will research companies of interest. MSN Money is effective site for this activity. Suggest they start with Apple Inc., stock symbol AAPL. Compare to Amazon AMZN. Have students debate on which is the better investment.			
3-6	3. Students will research and engage in an exercise with investment in stocks using an Excel Spreadsheet entitled "Stock Investment Template" after an introduction to this unit. The students will update their spreadsheet each class day for fifteen minutes as bell work activity at the beginning of the class period. See instructions for method of using the spreadsheet.			

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4, 5, 7	4. Students will research who are the richest people in the world. Specifically task students with finding information on Carlos Slim - how he made his fortunes and how he lives, and Warren Buffett - how he made his fortunes and how he lives.
4, 5, 7	5. Students will research companies that eroded confidence through their failures of ethics and/or wisdom.