

COURSE CURRICULUM AND ASSESSMENT STANDARDS:

SECTION F: ADVANCED LEVEL

The following pages define the curriculum and assessment standards for the advanced level of Financial Management.

Advanced level courses demand a higher level of expertise and help prepare students for entry into the workplace or a related post-secondary program.

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MODULE FIN3010: ADVANCED ACCOUNTING**Level:** Advanced**Theme:** User/Preparer**Prerequisite:** FIN2030 Merchandising Business 2**Module Description:** Students apply advanced accounting procedures—including capital assets and uncollectible accounts—used by a variety of businesses. Students also prepare adjustments, using the accrual method of accounting, and examine manufacturing or departmental accounting.**Module Parameters:** Access to computers and software.**Curriculum and Assessment Standards**

Module Learner Expectations	Assessment Criteria and Conditions	Suggested Emphasis
<p><i>The student will:</i></p> <ul style="list-style-type: none"> define terms relevant to capital assets, uncollectible accounts, accruals, and manufacturing or departmental accounting apply advanced accounting procedures that relate the above terms to realistic business situations demonstrate basic competencies. 	<p><i>Assessment of student achievement should be based on:</i></p> <ul style="list-style-type: none"> successfully completing a concept test that includes capital assets, uncollectible accounts, accruals, and one of the following: manufacturing or departmental accounting. <p><i>Assessment Tool</i> <i>Advanced Accounting, FIN3010–1 with suggested answers</i></p>	20
	<ul style="list-style-type: none"> given data that relates to each concept, preparing appropriate financial documents. <p><i>Assessment Tool</i> <i>Assessment Tool for Financial Management Documents/Components, FINDOC–A</i></p> <p><i>Standard</i> <i>Rating of 3</i></p>	80
	<ul style="list-style-type: none"> observations of individual effort and interpersonal interaction during the learning process. <p><i>Assessment Tool</i> <i>Basic Competencies Reference Guide and any assessment tools noted above</i></p>	Integrated throughout

MODULE FIN3010: ADVANCED ACCOUNTING (continued)

Concept	Specific Learner Expectations	Notes
Capital Assets	<p><i>The student should:</i></p> <ul style="list-style-type: none"> • calculate and record the amortization of capital assets • record the acquisition of capital assets; e.g., a trade-in • analyze accounting principles to determine whether to record the acquisition as an asset or an expense • journalize and post entries involving the disposal of capital assets • prepare a capital assets schedule • define depletion expense related to natural resources. 	<p>The process of allocating a capital asset's cost to expense is called <u>amortization</u> in Section 3060 of the <i>CICA Handbook</i>. The more common term used to describe the allocation of the cost when referring to capital assets such as property, plant and equipment is <u>depreciation</u>.</p>
Uncollectible Accounts	<ul style="list-style-type: none"> • prepare a statement of accounts receivable aging • calculate the value of uncollectible accounts receivable using a variety of methods • record journal entries for uncollectible accounts using the allowance method • prepare journal entries to write off uncollectible accounts receivable • record journal entries for the collection of accounts previously written off. 	
Accruals	<ul style="list-style-type: none"> • prepare the adjustments needed to update particular general ledger accounts to include accruals; e.g., payroll, interest. 	

MODULE FIN3010: ADVANCED ACCOUNTING (continued)

Concept	Specific Learner Expectations	Notes
<p>One of: Manufacturing</p> <p>OR</p>	<p><i>The student should:</i></p> <ul style="list-style-type: none"> • explain differences in accounting procedures between a merchandising business and a manufacturing business • record journal entries for a manufacturing business • prepare a Statement of Cost of Goods Manufactured. 	
<p>Departmental Accounting</p>	<ul style="list-style-type: none"> • explain the purpose of a departmental accounting system • describe the scope and nature of specialized accounting responsibilities in regard to departmentalized accounting, and the manner in which these might be assigned including: <ul style="list-style-type: none"> – individuals in different locations – a computer in a central location or a computer in each department – control measures that would be required – gathering of information at specific times. • prepare journal entries from data supplied. 	

COURSE FIN3020: MANAGEMENT ACCOUNTING**Level:** Advanced**Theme:** User/Preparer**Prerequisite:** None**Description:** Students explain management accounting, which involves optimizing capital assets for maximum return on investments. Students also examine various internal systems used to safeguard business assets.**Parameters:** Access to computers and software.**Curriculum and Assessment Standards**

General Outcomes	Assessment Criteria and Conditions	Suggested Emphasis
<i>The student will:</i> <ul style="list-style-type: none"> • assess return on investments, by analyzing price/cost and break even point • examine internal controls used to safeguard organizational assets • demonstrate basic competencies. 	<i>Assessment of student achievement should be based on:</i> <ul style="list-style-type: none"> • successfully completing a test related to the concepts in the first two general outcomes. <i>Assessment Tool</i> <i>Management Accounting, FIN3020-1</i>	50
	<ul style="list-style-type: none"> • observations of individual effort and interpersonal interaction during the learning process. <i>Assessment Tool</i> <i>Basic Competencies Reference Guide and any assessment tools noted above</i>	50 Integrated throughout

Concept	Specific Outcomes	Notes
Management Accounting	<i>The student should:</i> <ul style="list-style-type: none"> • describe management accounting • differentiate between the fields of managerial accounting and financial accounting. 	

COURSE FIN3020: MANAGEMENT ACCOUNTING (continued)

Concept	Specific Outcomes	Notes
Price/Cost	<p><i>The student should:</i></p> <ul style="list-style-type: none"> • define and explain cost and differentiate between fixed and variable costs • describe the factors to consider when establishing selling prices. 	
Break-even Point	<ul style="list-style-type: none"> • define and calculate break-even point • analyze the effect on net income when changes in volume costs, unit prices or sales mix occur. 	Use graphs to present information.
Inventory	<ul style="list-style-type: none"> • analyze the financial implications of maintaining inventory • identify optimal inventory levels • describe procedures used to count and record the physical inventory • calculate the value of inventory using a variety of methods and making adjustments for obsolete inventory. 	
Internal Controls and Internal Audit	<ul style="list-style-type: none"> • define an internal control system • describe internal auditing procedures appropriate to a business • describe specific controls over cash, inventory, etc. • explain the differences between the items that appear on the statement from the bank and the items that appear in the records of business • describe the methods used to reconcile the differences • prepare a bank reconciliation from data that show a number of differences between the bank statement and the records of a business. 	Discuss white collar crime. Guest speaker; e.g., external auditor.

COURSE FIN3030: BUSINESS ORGANIZATIONS**Level:** Advanced**Theme:** User/Preparer**Prerequisite:** None**Description:** Students examine the accounting procedures related to proprietorships, partnerships, corporations and other entities. Students determine the effect the different forms of business ownership have on the equity section of the balance sheet.**Parameters:** Access to computers and software.**Curriculum and Assessment Standards**

General Outcomes	Assessment Criteria and Conditions	Suggested Emphasis
<i>The student will:</i> <ul style="list-style-type: none"> describe the organizational differences among various forms of business organization compare the owner's equity of different forms of business organization demonstrate basic competencies. 	<i>Assessment of student achievement should be based on:</i> <ul style="list-style-type: none"> preparing a report that explains the advantages and disadvantages of the various forms of business organization. <i>Assessment Tool</i> <i>Business Organizations, FIN3030-1</i> <i>Standard</i> <i>Rating of 3</i>	20
	<ul style="list-style-type: none"> given appropriate data, completing a project that shows changes in the presentation of owner's equity as it evolves from a proprietorship through various forms of ownership. <i>Assessment Tool</i> <i>Assessment Tool for Financial Management Documents/Components, FINDOC-A Business Organizations, FIN3030-2</i> <i>Standard</i> <i>Rating of 3</i>	80
	<ul style="list-style-type: none"> observations of individual effort and interpersonal interaction during the learning process. <i>Assessment Tool</i> <i>Basic Competencies Reference Guide and any assessment tools noted above</i>	Integrated throughout

COURSE FIN3030: BUSINESS ORGANIZATIONS (continued)

Concept	Specific Outcomes	Notes
Introduction	<p><i>The student should:</i></p> <ul style="list-style-type: none"> • define accounting terms relevant to various types of business organization. 	
Proprietorship	<ul style="list-style-type: none"> • describe the financial, legal and tax implications of a sole proprietorship • explain the changes in owner's equity resulting from additional investments or withdrawals of capital funds • prepare Statement of Proprietor's Equity related to data provided where this is additional investment or withdrawal of capital funds. 	Bulletin board display could show examples of different forms of business organizations.
Partnership	<ul style="list-style-type: none"> • describe the financial, legal and tax implications of a partnership • analyze the most common types of partnerships • analyze data related to the partners' equity section of the balance sheet; e.g., initial investment, share of net profit or loss, additional partner investments and withdrawals • prepare Statement of Distribution of Net Income and Statement of Partners' Equity. 	Obtain sample partnership agreements. Case studies could be used.
Corporation	<ul style="list-style-type: none"> • describe the financial, legal and tax implications of a corporation • analyze the formation and organization of a corporation • differentiate between private and public corporations • analyze data related to the shareholders' section of the balance sheet including differences between classes of shares • prepare a Statement of Shareholders' Equity from data supplied. 	Collect sample Articles of Association, share dividends, share certificates, notice of annual meeting, proxy form, etc.

COURSE FIN3030: BUSINESS ORGANIZATIONS (continued)

Concept	Specific Outcomes	Notes
Other Forms of Organization (Franchise, Cooperatives, Non-profit and Miscellaneous)	<p><i>The student should:</i></p> <ul style="list-style-type: none"> • define a franchise and distinguish between the two categories: <ul style="list-style-type: none"> – product distribution – entire business franchising • describe the major differences between buying a franchise and buying a non-franchise business • describe the differences between a cooperative and a corporation; e.g., voting and distribution of net income • describe the reasons for establishing a non-profit organization • describe the legislation related to non-profit organization • describe pyramid schemes and “get rich quick schemes.” 	Guest speaker, newspaper and magazine articles.

COURSE FIN3040: FINANCIAL STATEMENTS**Level:** Advanced**Theme:** User/Analyst**Prerequisite:** None**Description:** Students examine the content and structure of financial statements, and prepare customized financial statements for a variety of businesses.**Parameters:** Access to computers and software.**Curriculum and Assessment Standards**

General Outcomes	Assessment Criteria and Conditions	Suggested Emphasis
<p><i>The student will:</i></p> <ul style="list-style-type: none"> • explain how a balance sheet reflects the financial position of a business on a specific date, and explain how the income statement reflects the financial operations of a business for a specific period of time • adapt the financial statements to various types of businesses • demonstrate basic competencies. 	<p><i>Assessment of student achievement should be based on:</i></p> <ul style="list-style-type: none"> • preparing a report (including tables, graphs, etc.) that deals with the purpose, format and components of an income statement and a balance sheet, and discusses adapting financial statements to various types of businesses. <p><i>Assessment Tool</i> <i>Financial Statements, FIN3040–1</i></p> <p><i>Standard</i> <i>Rating of 3</i></p> <p>OR</p> <ul style="list-style-type: none"> • preparing charts of accounts, balance sheets and income statements from data supplied. <p><i>Assessment Tool</i> <i>Assessment Tool for Financial Management Documents/Components, FINDOC–A</i></p> <p><i>Standard</i> <i>Rating of 3</i></p> <ul style="list-style-type: none"> • observations of individual effort and interpersonal interaction during the learning process. <p><i>Assessment Tool</i> <i>Basic Competencies Reference Guide and any assessment tools noted above</i></p>	<p>60</p> <p>40</p> <p>Integrated throughout</p>

COURSE FIN3040: FINANCIAL STATEMENTS (continued)

Concept	Specific Outcomes	Notes
Purpose and Format	<p><i>The student should:</i></p> <ul style="list-style-type: none"> • explain the purposes of the balance sheet and the income statement • outline and describe the reasons for the accepted formats • describe the purpose of notes to the financial statements • explain the difference between financial statements prepared from audited records and financial statements that have been reviewed by an auditor. 	<p>Collect annual reports from a variety of businesses, municipal and provincial government departments.</p> <p>Check your local library.</p>
Components of the Balance Sheet	<ul style="list-style-type: none"> • define the following: <ul style="list-style-type: none"> – assets – current assets – prepaid expenses – investments – intangible assets – fixed assets – liabilities – current liabilities – long-term liabilities – owner's equity • identify specific items within each component; e.g., current assets (petty cash, accounts receivables, allowance for doubtful accounts, inventory, etc.). 	<p>Prepare a glossary of terms.</p>

COURSE FIN3040: FINANCIAL STATEMENTS (continued)

Concept	Specific Outcomes	Notes
<p>Components of the Income Statement</p>	<p><i>The student should:</i></p> <ul style="list-style-type: none"> • define the following: <ul style="list-style-type: none"> – operating revenue – cost of merchandise sold – gross profit on operations – operating expenses – income from operations – other revenue – other expenses – net income • identify specific items within each component; e.g., cost of merchandise sold (opening inventory, purchases, purchases return and allowances, purchases discount, etc.). 	<p>Prepare a glossary of terms.</p>
<p>Customized Financial Statements</p>	<ul style="list-style-type: none"> • compare various accounts required by different types of businesses; e.g., service, retail, agriculture, manufacturing, construction and processing • prepare financial statements for different types of businesses. 	

MODULE FIN3060: FINANCIAL ANALYSIS**Level:** Advanced**Theme:** User/Preparer**Prerequisite:** FIN3040 Financial Statements**Module Description:** Students use formulas and ratios to evaluate the financial status of business organizations, interpret data, report results and recommend change based on the analysis.**Module Parameters:** Access to computers and software.**Curriculum and Assessment Standards**

Module Learner Expectations	Assessment Criteria and Conditions	Suggested Emphasis
<p><i>The student will:</i></p> <ul style="list-style-type: none"> use appropriate data for reporting and decision making 	<p><i>Assessment of student achievement should be based on:</i></p> <ul style="list-style-type: none"> given a company's financial statements, calculating various ratios, researching the comparative financial statements, drawing conclusions and making recommendations for action, now and in the future. <p><i>Assessment Tool</i> <i>Financial Analysis, FIN3060-1</i></p> <p><i>Standard</i> <i>Rating of 3</i></p>	60
<ul style="list-style-type: none"> interpret data that has been obtained, in order to recommend action 	<ul style="list-style-type: none"> preparing a report/presentation on what data are required for reporting and decision-making purposes. <p><i>Assessment Tool</i> <i>Financial Analysis, FIN3060-2</i></p> <p><i>Standard</i> <i>Rating of 3</i></p>	40
<ul style="list-style-type: none"> demonstrate basic competencies. 	<ul style="list-style-type: none"> observations of individual effort and interpersonal interaction during the learning process. <p><i>Assessment Tool</i> <i>Basic Competencies Reference Guide and any assessment tools noted above</i></p>	Integrated throughout

MODULE FIN3060: FINANCIAL ANALYSIS (continued)

Concept	Specific Learner Expectations	Notes
Changes in Financial Position	<p><i>The student should:</i></p> <ul style="list-style-type: none"> • identify sources and uses of cash • describe what transactions during a fiscal period caused the changes in cash • describe the purpose of a statement of changes in financial position • prepare a statement of changes in financial position. 	
Reporting Procedures	<ul style="list-style-type: none"> • describe general-purpose and special-purpose reports • explain the frequency with which reports are prepared. 	
Comparative Financial Statements	<ul style="list-style-type: none"> • describe comparative financial statements • analyze the purpose and use of comparative financial statements including the statement of changes in financial position • analyze financial statements from previous years to determine historical trends • demonstrate the use of formulas and ratios to determine information about profitability, management of operations, resources and debt • interpret data obtained to recommend action to be taken. 	<p>Use case studies.</p> <p>See current publications for annual ratings.</p>
Business/Industry Comparisons	<ul style="list-style-type: none"> • compare performance of a business with others in the same industry • compare performance of a business with others in the same geographical area. 	<p>Oil industry, pulp and paper industry.</p>

MODULE FIN3070: FINANCIAL PLANNING**Level:** Advanced**Theme:** User/Analyst**Prerequisite:** FIN3060 Financial Analysis

Module Description: Students explain the value of financial planning for a business. They explore the impact of economic trends, changing world markets and tax implications, all of which must be considered when preparing financial forecasts. The concept of market research is also discussed.

Module Parameters: Access to computers and software.**Curriculum and Assessment Standards**

Module Learner Expectations	Assessment Criteria and Conditions	Suggested Emphasis
<p><i>The student will:</i></p> <ul style="list-style-type: none"> explain the value of financial planning design a forecast that incorporates internal and external factors demonstrate basic competencies. 	<p><i>Assessment of student achievement should be based on:</i></p> <ul style="list-style-type: none"> given appropriate data, writing an introduction explaining the need for financial planning and preparing a financial forecast for a new business and/or an existing business. <p><i>Assessment Tool</i> <i>Assessment Tool for Financial Management Documents/Components, FINDOC–A</i></p> <p><i>Standard</i> <i>Rating of 3</i></p> <ul style="list-style-type: none"> observations of individual effort and interpersonal interaction during the learning process. <p><i>Assessment Tool</i> <i>Basic Competencies Reference Guide and any assessment tools noted above</i></p>	<p>20</p> <p>80</p> <p>Integrated throughout</p>

Concept	Specific Learner Expectations	Notes
Financial Planning	<p><i>The student should:</i></p> <ul style="list-style-type: none"> explain financial planning and its value in achieving the financial and operational goals of an organization. 	

MODULE FIN3070: FINANCIAL PLANNING (continued)

Concept	Specific Learner Expectations	Notes
External Factors	<p><i>The student should:</i></p> <ul style="list-style-type: none"> • describe the factors that affect market demand; e.g., geographic area, competitors, target-share, environmental factors • describe the effects of political decisions on world markets and/or local markets • explain the ramifications of world markets on local business forecasting • describe the impact of economic trends, such as interest rates, inflation, competition, technology and labour market on financial planning • relate financial planning to tax implications. 	<p>Contact Chamber of Commerce and other groups to get local information.</p>
Internal Factors	<ul style="list-style-type: none"> • explain how long-term goals may be affected by sources of funding; e.g., equity financing, debt financing (short-term, long-term), leasing/buying assets • explain the impact of internal factors; e.g., use of technology, price changes, labour problems • describe planning business transactions to minimize or postpone income taxes • describe the financial factors to be considered when preparing a contract bid. 	
Budgeting and Forecasting	<ul style="list-style-type: none"> • describe the benefits that a company may derive from a formal budgeting process • explain what information is required to prepare a forecast for a business including: <ul style="list-style-type: none"> – a capital plan – an operating forecast – a pro forma balance sheet • prepare a forecast for a new business with data supplied. 	

COURSE FIN3080: PERSONAL INVESTMENT PLANNING 1**Level:** Advanced**Theme:** User**Prerequisite:** None**Description:** Students are introduced to the capital market and the available securities to choose from when building a personal investment portfolio. Students research and analyze a variety of securities, including equities, fixed income and mutual funds.**Parameters:** Access to computers and the Internet.**Curriculum and Assessment Standards**

General Outcomes	Assessment Criteria and Conditions	Suggested Emphasis
<p><i>The student will:</i></p> <ul style="list-style-type: none"> demonstrate knowledge of investment terminology and concepts assess and compare three corporations competing within the same sector 	<p><i>Assessment of student achievement should be based on:</i></p> <ul style="list-style-type: none"> concept test(s) including: <ul style="list-style-type: none"> the capital market equities fixed income mutual funds. <p><i>Assessment Tool</i> <i>Refer to Investing in Your Future Teacher's Resource, Chapters 1–6, for sample concepts tests</i></p> <p><i>Standard</i> <i>50% or higher</i></p>	20
	<ul style="list-style-type: none"> research report – assess and compare the overall positions of three companies competing in the same sector: <ul style="list-style-type: none"> identify the style of the stock identify the sector identify the type of products and/or services sold find and compare the P/E ratios find and compare the dividend yields identify risk and return of each stock using the rule of 72, calculate how many years it will take for the stock to double explain which you would invest in. <p><i>Assessment Tool</i> <i>Assessment Task: Research Report, FIN3080–1</i></p> <p><i>Standard</i> <i>All components of assessment tool completed</i></p>	30

COURSE FIN3080: PERSONAL INVESTMENT PLANNING 1 (continued)

Concept	Specific Outcomes	Notes
<p>Personal Investment Planning in a Capital Market</p>	<p><i>The student should:</i></p> <ul style="list-style-type: none"> • prepare realistic mock personal balance sheets; determine assets, liabilities and personal equity (personal net worth) • discuss strategies to improve/increase personal net worth <ul style="list-style-type: none"> – work for others (paycheque) – self-employment – owning your own business (profit/loss) – decrease debt (liabilities) – save more and/or spend less – invest your savings • identify and discuss the three elements of an investment goal: <ul style="list-style-type: none"> – objective (safety of principal, earn income, achieve growth) – time limit (short- medium- or long-term) – strategy (selecting the right investment) • brainstorm and list the different investments a person can choose from: <ul style="list-style-type: none"> – short-term savings, such as savings account, term deposits, T-bills – stocks – bonds – mutual funds – precious metals; e.g., gold – art – jewellery/precious stones; e.g., diamonds – real estate (land/buildings) – mortgages • describe how compound interest works to increase your investments over time • explore the concept of paying yourself first and how the rule of 72 can help determine investment objectives • explain what is meant by “developing a personal investment portfolio” 	<p>Reviews $A = L + C$ at a personal level.</p> <p><www.osc.gov.on.ca/en/HeyKids/hk_videocorner.html> has some short introductory videos on investing.</p> <p>For additional sites, go to <www.investorlearning.ca> and select resources, or <www.albertasecurities.com> for brochures.</p> <p>Investors Learning Centre, call 403-269-9923.</p> <p><u>Formula</u> $72 / \text{Annual interest rate of investment} = \text{no. of years for investment to double.}$</p>

COURSE FIN3080: PERSONAL INVESTMENT PLANNING 1 (continued)

Concept	Specific Outcomes	Notes
	<p><i>The student should:</i></p> <ul style="list-style-type: none"> • explore what is meant by the term “asset allocation” and describe each component—cash/cash equivalent, equities, fixed income • analyze the direct relationship between expected returns and risk in terms of: <ul style="list-style-type: none"> – time limit or horizon—amount of time – cash requirement—amount of money – liquidity—how fast the asset can be turned back into cash – emotional factors; e.g., will you loose sleep over an investment • evaluate and identify “personal tolerance” for risk • explore the financial pages of a newspaper or the Internet and describe the information given • refer to other sources of investment advice: <ul style="list-style-type: none"> – investment newsletters and publications – courses and seminars – books – magazines – television and radio • describe the business cycle in terms of an expanding market versus a recession—bull market versus bear market. 	
Equities	<ul style="list-style-type: none"> • define equity securities in terms of being an owner • define and use basic terminology related to equities securities • explain the term “stock exchange” and list the stock exchanges in Canada, the U.S. and other markets around the world • visit and explore Web sites of major stock exchanges around the world • interpret stock quotes from the newspaper or the Internet 	<p>Video: Demystifying the Stock Market (26 min.) available from 100% Educational Videos 1-800-483-3383; refer to chapter 3 of Investing in Your Future for list of terms.</p> <p><www.cdnx.com> <www.tse.com> <www.nyse.com> <www.nasdaq.com> (this site will connect you to other global Web sites).</p>

COURSE FIN3080: PERSONAL INVESTMENT PLANNING 1 (continued)

Concept	Specific Outcomes	Notes
	<p><i>The student should:</i></p> <ul style="list-style-type: none"> • describe equities in terms of: <ul style="list-style-type: none"> – size; e.g., small cap or large cap – style; e.g., growth, value, income, high quality – geographic location; e.g., Canadian, U.S., Asian, European • describe equities in terms of the sector they are in: <ul style="list-style-type: none"> – interest sensitive; e.g., banks, insurance, utilities, real estate, pipelines – consumer; e.g., merchandise, communication and media – industrial; e.g., technology, transportation, conglomerates – resources; e.g., oil and gas, metals, minerals, paper and forestry, gold and other precious metals • describe what a diversified equities portfolio would look like; e.g., varies in style, size, geographic location and sector • create a diversified equities portfolio to track over a specific period of time • analyze the diversified portfolio on a daily, weekly or monthly basis, buying and selling as necessary to meet a specific goal or objective. 	<p><www.globeinvestor.com> gives sector information.</p> <p>Use a free Internet site, such as <www.globeinvestor.com> or <www.tse.com> to create and maintain a personal portfolio of stock picks.</p>
Fixed Income	<ul style="list-style-type: none"> • define debt securities in terms of being a lender • list and describe the different debt securities available on the market: <ul style="list-style-type: none"> – corporate bonds – provincial bonds – Canada Savings Bonds – debentures – treasury bills (T-Bills) – guaranteed investment certificates (GICs) • describe fixed-income securities in terms of risk and return; e.g., safety, income, return of principal 	

COURSE FIN3080: PERSONAL INVESTMENT PLANNING 1 (continued)

Concept	Specific Outcomes	Notes
	<p><i>The student should:</i></p> <ul style="list-style-type: none"> • identify the components of a bond: <ul style="list-style-type: none"> – maturity date – principal or face value – interest rate (coupon) • describe and compare bond yields for a variety of bonds • evaluate bonds in terms of when to buy and when to sell: <ul style="list-style-type: none"> – interest rates – a company’s financial outlook – bond yield • interpret bond quotes from the newspaper or the Internet • define and describe the cash/cash equivalent portion of an investment portfolio • identify cash equivalents: <ul style="list-style-type: none"> – savings accounts – term deposits – money markets • explain why an investor might allocate a portion of his/her portfolio to cash or cash equivalents • research and select fixed-income securities that meet particular goals and objectives. 	
Mutual Funds	<ul style="list-style-type: none"> • distinguish the basic differences between stocks, bonds and mutual funds • describe common types of mutual funds such as: <ul style="list-style-type: none"> – money market funds – fixed income funds – growth or equity funds – balanced funds – ethical funds – global or foreign funds – index funds – specialty funds 	

COURSE FIN3080: PERSONAL INVESTMENT PLANNING 1 (continued)

Concept	Specific Outcomes	Notes
	<p><i>The student should:</i></p> <ul style="list-style-type: none"> • compare different mutual funds and describe their makeup or contents in terms of asset allocation • list the advantages of investing in mutual funds: <ul style="list-style-type: none"> – affordable – diversification – liquidity – professional management – flexible amounts – record keeping • list the disadvantages of investing in mutual funds: <ul style="list-style-type: none"> – management fees and expenses – loss of control over investment decisions – managers’ mistakes – tax efficiency • describe the fees associated with mutual funds: <ul style="list-style-type: none"> – management expense ratio (MER) – sales commissions—front end versus back end versus no load • analyze investment styles of mutual fund managers such as: <ul style="list-style-type: none"> – growth managers—focus on stocks with high earning potential – value managers—bottom-up strategy, focus on undervalued companies – GARP (Growth at a Reasonable Price)—combination of value and growth – core—combination of both growth and value. 	<p><www.globefund.com>—fund filter allows students to research mutual funds using a variety of filters. Under Resources click on Glossary to review definitions.</p>

COURSE FIN3090: PERSONAL INVESTMENT PLANNING 2**Level:** Advanced**Theme:** User**Prerequisite:** Personal Investment Planning 1**Description:** Students expand their knowledge of investing by analyzing the financial statements of a variety of companies, interviewing and critiquing an investment advisor, and creating investment portfolios using the steps of intelligent investing for short-term and long-term goals.**Parameters:** Access to computers and the Internet.**Curriculum and Assessment Standards**

General Outcomes	Assessment Criteria and Conditions	Suggested Emphasis
<p><i>The student will:</i></p> <ul style="list-style-type: none"> • calculate ratios and evaluate and compare the financial statements of two companies 	<p><i>Assessment of student achievement should be based on:</i></p> <ul style="list-style-type: none"> • financial statement project—calculate ratios; evaluate and compare the financial position of two companies in terms of: <ul style="list-style-type: none"> – working capital – debt/equity ratio – earnings/share – P/E ratio – dividend yield. <p><i>Assessment Tool</i> <i>Refer to Investing in Your Future, Teacher’s Resource, pages 35–37 and 40–41, Essay Assignment and Ratio Analysis Organizer</i></p> <p><i>Standard</i> <i>Ratio Analysis Organizer and Comparison Essay completed</i></p>	<p>30</p>

COURSE FIN3090: PERSONAL INVESTMENT PLANNING 2 (continued)

General Outcomes	Assessment Criteria and Conditions	Suggested Emphasis
<p><i>The student will:</i></p> <ul style="list-style-type: none"> • research and build an investment portfolio for a short-term goal using the steps of intelligent investing and taking into consideration: <ul style="list-style-type: none"> – age and lifestyle of investor – specific goals and financial objectives of investor – risk tolerance of investor • demonstrate basic competencies. 	<p><i>Assessment of student achievement should be based on:</i></p> <ul style="list-style-type: none"> • Investment Planning Project 2 – Using the Internet and the steps for intelligent investing, create a mock investment portfolio for a short-term goal: <ul style="list-style-type: none"> – identify the age, lifestyle and risk tolerance of investor – identify amount to invest – identify specific goals; e.g., I want a car three years from now – identify objectives and make a plan to reach your goal – select a variety of investments for the portfolio, use asset allocation and diversify equities – justify the selection of investments based on goals and financial objectives suited to the age and lifestyle of investor – track and monitor the portfolio over a period of time. <p><i>Assessment Tool</i> <i>Refer to Taking Stock in Your Future, page 129, Culminating Activity, Investment Portfolio Report Rubric</i></p> <p><i>Standard</i> <i>Rating of 3 or higher on each component of Investment Portfolio Report Rubric.</i></p> <ul style="list-style-type: none"> • observations of individual effort and interpersonal interaction during the learning process <p><i>Assessment Tool</i> <i>Basic Competencies Reference Guide and any assessment tools noted above</i></p>	<p>25</p>

COURSE FIN3090: PERSONAL INVESTMENT PLANNING 2 (continued)

Concept	Specific Outcomes	Notes
Financial Statements	<p><i>The student should:</i></p> <ul style="list-style-type: none"> • evaluate a variety of companies through their financial statements • calculate a company’s financial positions through their: <ul style="list-style-type: none"> – balance sheet <ul style="list-style-type: none"> • assets, liabilities, capital • working capital ratio (current assets/ current liabilities) • debt/equity ratio (total debt/shareholders’ equity) – income statement <ul style="list-style-type: none"> • calculate earnings per share (company’s net earnings/number of common shares) • price per earnings ratio (P/E ratio = market price of stock/earnings per share) • dividend yield. 	<p>Find current annual reports on the Internet.</p> <p><i>Investing in Your Future, Chapter 3 and Appendix C.</i></p>
Selecting an Investment Advisor	<ul style="list-style-type: none"> • describe the different types of financial service companies: <ul style="list-style-type: none"> – banks – trust companies – insurance companies – mutual fund dealers – full-service brokers – discount brokers • discuss the <i>Financial Consumers Act</i> in terms of: <ul style="list-style-type: none"> – how the act protects investors – what financial products and services are covered – what rights and responsibilities investors have when buying financial products and services – what the act says about disputes, financial planners and plain language • describe how an investor is protected under the Canadian Investors Protection Fund (CIPF) • identify the different designations of professionals in the field of investment and financial planning: <ul style="list-style-type: none"> – CFP—Certified Financial Planner – FCSI—Fellow of Canadian Securities Institute – CIM—Canadian Investment Manager – CFA—Chartered Financial Analyst – FMA—Financial Management Advisor 	<p>Alberta Consumer and Corporate Affairs— Bulletin “<i>The Financial Consumers Act: What It Means to You.</i>”</p>

COURSE FIN3090: PERSONAL INVESTMENT PLANNING 2 (continued)

Concept	Specific Outcomes	Notes
<p>Selecting an Investment Advisor (continued)</p>	<p><i>The student should:</i></p> <ul style="list-style-type: none"> • research and determine the criteria for selecting an investment advisor • construct a set of questions to ask an investment advisor • evaluate an investment advisor. 	
<p>Strategies for Creating Investment Portfolios</p>	<ul style="list-style-type: none"> • examine the history of the stock market over the past 50 years to: <ul style="list-style-type: none"> identify bull and bear markets find patterns between risk versus returns • discuss the role inflation plays in determining actual or real return on investments • compare the risks and returns between a variety of stocks, bonds and mutual funds • calculate actual returns on a variety of investments • analyze asset allocation in relationship to the life stage of an investor • reevaluate your tolerance for risk • discuss the social and ethical implications of purchasing stock in certain companies; e.g., Ethical investing—environmental, social view points • develop a personal investment strategy for short-term and long-term plans • describe the steps of intelligent investing to build an investment portfolio: <ul style="list-style-type: none"> – set specific goals and financial objectives – match investment objectives to asset classes – analyze and select investments within the different asset classes in terms of risk, return, liquidity and time – spread out risk; diversify your portfolio through size, style, sector and geography 	<p>% of return on investment minus % of inflation = real return on investment before taxes.</p>

COURSE FIN3090: PERSONAL INVESTMENT PLANNING 2 (continued)

Concept	Specific Outcomes	Notes
<p>Strategies for Creating Investment Portfolios (continued)</p>	<p><i>The student should:</i></p> <ul style="list-style-type: none"> • investigate other strategies for reducing risk; e.g., dollar cost averaging • describe the characteristics of a Registered Retirement Savings Plan (RRSP): <ul style="list-style-type: none"> – investment portfolio created over a lifetime – asset allocation—components could include cash/cash equivalent, fixed income, diversified equities or mutual funds – maximum tax deductible contribution per year is 18% of previous year’s earnings – long-term – 70% Canadian content – 30% foreign content – reduces taxes on current income – investment grows tax free until withdrawn • examine the advantages and disadvantages of investing in an RRSP in Canada • describe the characteristics of a Registered Education Savings Plan (RESP): <ul style="list-style-type: none"> – tax-deferred investment plan normally set up by parents for their children’s post-secondary education – money is taxed when student withdraws it – plan must be set up before age 16 to make contributions – government will contribute 20% of RESP up to a maximum of \$2000 through the Canadian Education Savings Grant • use the steps of intelligent investing to develop an investment plan for a short-term goal (under five years; e.g., a vacation, a car) • use the steps of intelligent investing to develop an investment plan for a long-term goal (20 years or more; e.g., retirement) • describe the tax implications of investing: <ul style="list-style-type: none"> – tax on interest – tax on dividends – tax on capital gains – tax sheltered until stock is sold – RRSP 	

COURSE FIN3090: PERSONAL INVESTMENT PLANNING 2 (continued)

Concept	Specific Outcomes	Notes
Strategies for Creating Investment Portfolios (continued)	<p><i>The student should:</i></p> <ul style="list-style-type: none"> • discuss the concept and value of being part of an investment club. 	<p>Refer to page 165 of <i>Investing in Your Future, Teacher's Resource</i> for setting up an investment club in your school.</p>
Investing and the Internet	<ul style="list-style-type: none"> • make use of the Internet as an investment tool to: <ul style="list-style-type: none"> – learn investment concepts and strategies – research companies – get stock and bond quotes – investigate mutual funds – create mock portfolios – take concept tests • distinguish the difference between fact and fiction when using the Internet for investing • realize the pitfalls of the Internet as an investment tool; remember the basic concept, "If it seems too good to be true, it usually is." • make use of news groups as a form of sharing; do not make decisions on potentially unreliable sources. 	<p>See <www.albertasecurities.com> for a brochure on investing and the Internet.</p> <p>See <i>Teacher's Resource, Investing in Your Future</i>, Appendix C, pp. 173–177, for full list of potential Web sites.</p>

