

Introduction to Financial Services

(12101)

Rationale Statement:

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

Suggested Grade Level:

Grades 11 – 12

Topics Covered:

- **Banking and Financial Business**
- **Investment Opportunities**
- **Types of Insurance**
- **Banking and Career Opportunities**

Indicator #1: Explain how economics relates to the banking and financial industries.	
Bloom’s Taxonomy Level	Standard and Examples
Understanding	<p>IFS.1.1 Describe the role of the Federal Reserve and how interest rates affect the economy.</p> <p>Examples:</p> <ul style="list-style-type: none"> • Identify different interest rates including prime, discount and federal funds • Explain concept of compound interest and the importance of time and accumulating wealth
Understanding	<p>IFS.1.2 Explain inflation, deflation, recession, depression and their impact on the banking industry.</p> <p>Examples:</p> <ul style="list-style-type: none"> • Discuss the time value of money • Explain the risk / reward rule

Indicator #2: Analyze investment opportunities as they relate to the banking industry.

Bloom's Taxonomy Level	Standard and Examples
Understanding	<p>IFS.2.1 Explain the structure of the securities market.</p> <p>Examples:</p> <ul style="list-style-type: none">• Identify career opportunities in the banking and securities industry• Identify various stock exchanges and the differences between them• Identify the difference between a bull and bear market• Describe the process of executing a stock transaction• Explain the role of various stock market tracking devices
Analyzing	<p>IFS.2.2 Differentiate mutual funds, corporate, and government bonds as it relates to investing.</p> <p>Examples:</p> <ul style="list-style-type: none">• Compare and contrast the advantages and disadvantages of investing in mutual bonds versus individual stocks• Demonstrate ability to determine the profitability of mutual fund companies• Explain the inverse relationship of the value of bonds to interest rates• Describe the characteristics of corporate bonds, convertible bonds, treasury bills and bonds, savings bonds and municipal bonds

Indicator #3: Examine the various types of insurance handled in the banking industry.

Bloom's Taxonomy Level	Standard and Examples
Understanding	<p>IFS.3.1 Discuss property and casualty insurance from the perspective of the consumer as well as the agent.</p>

	<p>Examples:</p> <ul style="list-style-type: none"> • Explain the use of riders and endorsements on insurance policies • Describe the characteristics of various automobile coverage including liability, collision and comprehensive • Identify different types of insurance including home owners' policy, disability, auto, health, product liability, etc.
Analyzing	<p>IFS.3.2 Compare life insurance from the perspective of a customer as well as the agent.</p> <p>Examples:</p> <ul style="list-style-type: none"> • Identify the difference between tax free and tax deferred benefits as it applies to life insurance • Distinguish between term, whole life and universal life insurance including face amount, cash value, premium, etc. • Explain the tax benefits of purchasing tax insurance annuities as an investment alternative
Analyzing	<p>IFS.3.3 Compare property and casualty insurance from the perspective of a customer as well as the agent.</p> <p>Examples:</p> <ul style="list-style-type: none"> • Describe the characteristics of automobile coverage including liability, collision and comprehension • Explain what a deductible is and how the amount of the deductible alters the premium rates

Indicator #4: Explain banking terminology as it relates to the industry, consumer and career opportunities.	
Bloom's Taxonomy Level	Standard and Examples
Understanding	<p>IFS.4.1 Identify the difference between banks and credit unions.</p> <p>Examples:</p> <ul style="list-style-type: none"> • Explain the importance of insured deposits for banks and who insures financial institutions' deposits (FDIC, NCUA, FS-LIC) • Describe how financial institutions make money and the role of savers and borrowers
Understanding	<p>IFS.4.2 Describe the loan process.</p> <p>Examples:</p>

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| | <ul style="list-style-type: none">• Discuss ways to establish and maintain a good credit rating• Explain collateral, co-signor and the role they play in getting a loan and making it more secure• Describe the consequences of extending the loan life to achieve lower monthly payments• Explain the consequences of borrowing money and describe an amortization schedule• Describe the debt : income ratio and what it means and the maximum range that most lending institutions will allow |
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