

Idaho *Personal Finance* Content Standards

Correlation to *Virtual Business - Personal Finance*

Course Concepts	Virtual Business <i>Personal Finance</i>
Business Education Department: Economics & Personal Finance	
Module 1: Scarcity, Choice and Opportunity Costs	✓✓✓
Module 2: Personal Decision-Making	✓✓✓
Module 3: Productivity	✓✓✓
Module 4: Economic Systems	
Module 5: Economic Institutions and Incentives	✓✓✓
Module 6: Exchange, Money, and Interdependence	
Module 7: Markets and Prices	✓✓✓
Module 8: Supply and Demand	
Module 9: Competition	
Module 10: The Role of Consumers	✓✓✓
Module 11: Aggregate Supply and Aggregate Demand	
Module 12: The Role of Government	✓✓✓
Module 13: The Role of Citizens	✓✓✓
Module 14: International Economic Concepts	
Module 15: Making Career Choices	✓✓✓
Mathematics Department: Mathematic Analysis of Personal Finance	
Standard 1: Money Management	✓✓✓
Standard 2: Consumerism	✓✓✓
Standard 3: Saving & Investment	✓✓✓
Standard 4: Education & Income	✓✓✓
Standard 5: Taxation	✓✓✓

Legend:

- ✓ Some correlation to the competency
- ✓✓ High correlation to the competency
- ✓✓✓ Very High correlation to the competency

The information for this correlation was found during 03/2008 at the following web address:

http://www.educ.uidaho.edu/standards/Econ_Finance.htm
www.sde.idaho.gov/WeeklyFeature/docs/ContentStandards/Mathematics%20of%20Personal%20Finance.doc

Business Education Dept: Economics & Personal Finance Concepts	Virtual Business - Personal Finance Lesson
<p>Module 1: Scarcity, Choice and Opportunity Costs</p> <p>PERFORMANCE OBJECTIVE: Identify opportunity costs and trade-offs involved in making choices about how to use scarce economic resources.</p> <p>ENABLING OBJECTIVES:</p> <ol style="list-style-type: none"> 1. Define and give examples of economic wants and needs 2. Explain how economic wants are satisfied 3. Identify the resources (factors of production) that are used to satisfy economic wants 4. Define and give examples of scarcity 5. Explain and give examples of the opportunity costs of choices made by individuals and society 6. Explain why scarcity requires individuals, governments, and societies to make choices 7. Demonstrate understanding of rational economic decision making by explaining the costs and benefits of alternative choices in a given situation 8. Apply the steps in a rational decision-making process to a situation involving an economic decision by an individual and a group 9. Explain the concept of marginalism as it applies to producers and consumers 10. Explain the relationship between scarcity or choice and production possibilities curve 	<p><u>All</u> VBPF lessons allow the student to constantly analyze personal financial decisions based on available resources and adjust their lifestyle accordingly to reach their goals</p> <ul style="list-style-type: none"> • Time Management & Health • Finding a Job • Budgeting & Saving • Finding an Apartment • Buying a Car • Shopping • New Career Project
<p>Module 2: Personal Decision-Making</p> <p>PERFORMANCE OBJECTIVE: Use a rational decision-making process as it applies to the roles of citizens, workers, and consumers.</p> <p>ENABLING OBJECTIVES:</p> <ol style="list-style-type: none"> 1. Recognize the consequences of making economic choices 2. Identify alternative choices 3. Make simple economic choices based on personal resources 4. Apply the steps in a rational decision-making process to a situation involving an economic decision by an individual 5. Differentiate between types of decisions and identify those that require a formal decision-making process 6. Apply a rational decision-making process to various types of decisions at different stages of the life cycle. 	<p><u>All</u> VBPF lessons allow the student to constantly analyze personal financial decisions based on available resources and adjust their lifestyle accordingly to reach their goals</p>

Module 3: Productivity

PERFORMANCE OBJECTIVE: Explain the importance of productivity, and discuss how specialization, division of labor, saving, investment in capital goods and human resources, and technological change affect productivity.

ENABLING OBJECTIVES:

1. Define and give examples of specialization
2. Identify how specialization generally increases output in the economy
3. Describe the relationship between investment in capital and human resources and increased productivity
4. Explain why specialization and division of labor usually increase productivity
5. Explain how the relationship of input to output affects the level of productivity over a given period of time
6. Explain why it is necessary for trade to exist in a society
7. Describe why increased economic output in an economy generally increases the overall standard of living of a society
8. Describe the type of opportunity costs and economic risks involved when investing in capital and human resources to increase productivity
9. Discuss the effects of government expenditures, regulations, and tax policies on productivity
10. Explain how research and development is funded and why it is important
11. Evaluate the effects of technological advances on individuals and productivity in an economy
12. Explain the principle of diminishing returns and illustrate how it relates to productivity

- Paying Your Taxes
- Intro to Investing
- Risk vs. Return
- Diversification
- Investing for Retirement
- New Career Project

Module 4: Economic Systems

PERFORMANCE OBJECTIVE: Explain why societies develop economic systems, identifies the basic features of different economic systems, and discuss the major features of the U.S. Economy.

ENABLING OBJECTIVES:

1. Identify why a society needs an economic system
2. Identify basic concepts of the free enterprise economic system.
3. Identify questions that must be answered by any economic system (e.g., what is to be produced, how it is to be produced, and for whom)
4. Discuss advantages and disadvantages of different types of economic systems with primary focus on planned and market systems
5. Explain the concept of a mixed economy
6. Identify the type of economic system found in the United States
7. Describe the major features of the U.S. economy (e.g., profit, competitive markets, and private ownership of property)
8. Describe the role of individual households and business firms in making production and distribution decisions in a market economy
9. Describe the components of the circular flow of economic activity and illustrate how they interact with each other
10. Describe the difference in determining wages and prices in command and market economies
11. Explain why economic systems are evaluated for their ability to achieve non-economic as well as economic goals
12. Discuss private ownership of property, profit, competition, and private enterprise as basic features of a market economy
13. Explain how the U.S. economy encourages entrepreneurs
14. Analyze the strengths and weaknesses of alternative economic systems
15. Critique the merits of an economic system's performance based on the criteria of freedom, efficiency, equity, security, employment, stability, and growth

Module 5: Economic Institutions and Incentives

PERFORMANCE OBJECTIVE: Explain the role of core economic institutions and incentives in the U.S. economy.

ENABLING OBJECTIVES:

1. Define profit and the role of profit-making companies in our economy
2. Explain how individuals or family units provide productive resources of land, labor, capital, and entrepreneurship
3. Identify returns for various productive resources (e.g., interest, rent, profit, wages)
4. Describe the role of profit in our economy and the relationship of profit to risk
5. Describe different kinds of economic institutions in our economy (e.g., households, businesses, banks, government agencies, labor unions)
6. Explain the purpose of incentives and disincentives in our economy and give examples of each
7. Explain how cultural traditions and customs influence economic behavior in our society
8. Provide examples of economic institutions and incentives
9. Explain how specific financial and non-financial incentives influence economic behavior of different individuals in different ways
10. Analyze reasons why a society's allocation of resources will be affected by its laws, public policy, and taxation
11. Explain why institutions differ in response to particular situations as a result of pursuing their own self interest (e.g., households with business, business with labor, households with government)
12. Discuss ways in which profits are used in a market-oriented economy
13. Identify major functions of the public sector in a market economy
14. Explain the direct and indirect roles of government as an institution

- Buying a Car
- Shopping
- Choosing & Balancing a Checking Account
- Getting a Credit Card
- Paying Your Taxes
- Investing for Retirement
- Risk vs. Return
- New Career Project

Module 6: Exchange, Money, and Interdependence

PERFORMANCE OBJECTIVE: Explain the role of exchange and money in an economic system and describe the effect of interdependence on economic activity

ENABLING OBJECTIVES:

1. Explain the meaning of exchange and interdependence
2. Describe the concept of barter and explain its limitations
3. Explain why money has replaced barter as a more efficient system of exchange
4. Identify money as an accepted medium of exchange used to purchase goods and services in an economy
5. Explain why the exchange of goods and services encourages specialization
6. Describe the function of money as a standard of value and explain why this is important
7. Describe the function of money as a store of value and explain why this is important
8. Analyze the influence of events such as politics, natural disasters, and environmental factors on the degree of interdependence between trading partners
9. Explain why and illustrate how money can contribute to an increased number of exchanges, greater specialization and interdependence, and a higher standard of living in an economy
10. Explain the concept of transaction costs
11. Explain why a decrease in transaction costs will result in an increase in the number of exchanges being made

Module 7: Markets and Prices

PERFORMANCE OBJECTIVE: Describe the role of markets and prices in the U.S. economy.

ENABLING OBJECTIVES:

1. Define price
2. Describe and give examples of markets for goods and services in our economy
3. Analyze the relationship of relative price to relative scarcity when prices are set by the market forces of supply and demand
4. Describe how relative prices affect buying and selling decisions of producers and consumers and determine what, how, and for whom economic goods and services are produced in our economy
5. Explain how prices are used to ration limited resources, goods, and services in our economy
6. Explain market clearing price and graph with supply and demand curves
7. Describe why and how consumers in our economy use relative prices to determine the most advantageous combination of goods and services to purchase
8. Explain how efficient production and allocation of goods and services in a market economy are based on pricing information
9. Explain why changes in relative price ratios among resources create incentives for resources to move or be reallocated in our economy
10. Describe the difference between absolute and relative prices and how changes in both affect supply and demand
11. Describe the effect of global economy on the U.S. markets

- Finding an Apartment
- Buying a Car
- Shopping
- Risk vs. Return
- Buying a Home
- New Career Project

Module 8: Supply and Demand

PERFORMANCE OBJECTIVE: Analyze the role of the law of supply and demand in the U.S. economy.

ENABLING OBJECTIVES:

1. Describe supply and demand
2. Identify determinants of supply and demand for goods and services
3. Define the laws of supply and demand
4. Explain how decisions made by individual consumers (buyers) and producers (sellers) affect supply and demand
5. Define market clearing price
6. Explain why quantity demanded and quantity supplied change with price levels
7. Explain why supply and demand shifts occur
8. Explain why equilibrium price changes due to shifts in supply and demand
9. Explain why prices set by supply and demand are measures of the relative scarcity of a good or service
10. Explain why shortages, surpluses, and long-run allocation problems occur when price controls are enforced
11. Explain the concept of elasticity and inelasticity and its importance to buyers and sellers
12. Identify factors that affect the price of goods or services in markets that are not purely competitive

Module 9: Competition

PERFORMANCE OBJECTIVE: Describe different types of competitive structures and illustrate the role of competitive markets in the U.S. and other economies

ENABLING OBJECTIVES:

1. Recognize that buyers and sellers establish prices for identical and similar products in settings called markets
2. Explain how competition among sellers of a good or service generally results in lower prices for buyers and lower profits for sellers
3. Describe how competition among buyers of a good or service generally results in higher prices for buyers and higher profits for sellers
4. Describe monopoly and determine the role of government in preventing private monopolies and regulating public monopolies
5. Describe how competition in a purely competitive market encourages the production of higher quality goods and services
6. Define oligopoly and explain how such markets function with a few large producers selling a product that has relatively few substitutes
7. Describe how collusion affects competitive markets
8. Discuss the major barriers to new firms entering a competitive market and how the barriers affect the level of competition in an industry
9. Discuss examples of U.S. laws and government regulations that are designed to maintain competition
10. Identify examples of U.S. laws and government regulation that have had the effect of reducing competition
11. Discuss ways that government can correct for the over- or underproduction or consumption of goods affected by externalities (e.g., tax policies, subsidies, and regulations)

Module 10: The Role of Consumers

PERFORMANCE OBJECTIVE: Manage limited personal financial resources and recognize that more of the wants and needs of members of a society can be satisfied if wise consumer decisions are made.

1. Goods and Services
2. Financial Planning
3. Insurance and Taxes
4. Conserving Resources

All VBPF lessons allow the student to constantly analyze personal financial decisions based on available resources and adjust their lifestyle accordingly to reach their goals

- Budgeting & Saving
- Paying Your Taxes
- Insurance
- New Career Project

<p>Module 11: Aggregate Supply and Aggregate Demand</p> <p>PERFORMANCE OBJECTIVE: Explain how the U.S. economy functions as a whole and describe macroeconomic measures of economic activity such as gross domestic product, unemployment, and inflation.</p> <ol style="list-style-type: none"> 1. Define unemployment and describe what it would be like to be a member of a family where no one is employed 2. Identify the components of the labor force 3. Explain the Consumer Price Index 4. Determine the importance of Gross Domestic Product (GDP) as a measure of economic activity in a society 5. Discuss major factors that affect the level of a country's GDP (e.g., quantity and quality of natural resources, size and skill of the labor force, and size and quality of capital stock) 6. Explain the government's role with respect to unemployment and its relationship to business owners 	
<p>Module 12: The Role of Government</p> <p>PERFORMANCE OBJECTIVE: Discuss the role of government in an economic system, especially the necessary and desirable role of government in the U.S. economy.</p> <p>ENABLING OBJECTIVES</p> <ol style="list-style-type: none"> 1. Provide examples of goods and services that are provided by the government 2. Identify four basic categories of earned income 3. Explain the role of government taxation and its effect on consumers and producers 4. Define and give examples of progressive, regressive, and proportional taxes and their effect on specific income groups 5. Explain how government's redistribution of income through taxation, spending, and assistance programs affects the well-being of people and business firms in an economy 6. Differentiate between monetary and fiscal policies and identify when it may be appropriate to use each 7. Analyze the effect of national debt on the level of economic activity 8. Describe the effect of transfer payments on the level of economic activity 	<ul style="list-style-type: none"> • Paying Your Taxes • New Career Project

<p>Module 13: The Role of Citizens PERFORMANCE OBJECTIVE: Describe rights and responsibilities of citizens in the U.S. economy, including their role in making decisions through the political process that affect the allocation of limited personal and public resources to meet individual and societal needs and wants.</p> <p>13.1 Consumer Rights and Responsibilities 13.2 Consumer Laws 13.3 Consumer Assistance 13.4 Consumer Assertiveness</p>	<ul style="list-style-type: none"> • Finding An Apartment • Shopping • Getting a Credit Card • Fixing Your Credit • Intro to Investing • New Career Project
<p>Module 14: International Economic Concepts PERFORMANCE OBJECTIVE: Examine the importance of economic relationships among nations and discuss the role of international trade and investment monetary relations in the global economy.</p> <p>ENABLING OBJECTIVES:</p> <ol style="list-style-type: none"> 1. Identify resources that are abundant or in short supply in the various countries throughout the world 2. Identify examples of goods or services that are exported from a particular state and the countries to which they are exported 3. Identify examples of goods or services that are used in a particular state or community which are imported from another country and list the countries from which they are imported 4. Explain how specialization promotes international trade and how international trade increases total world output 5. Explain absolute advantage and comparative advantage and how each influences trade among regions and nations 6. Explain foreign exchange rates and why the value of currency changes 7. Explain how a change in the value of a nation's currency can affect the level of its imports and exports 8. Describe how and why nations restrict the free flow of goods and services into and out of their economy 9. Describe the components that make up the balance of payments between two nations 10. Describe how what is done in one nation affects the rest of the world and what is done in the rest of the world affects each individual nation 	

<p>Module 15: Making Career Choices</p> <p>PERFORMANCE OBJECTIVE: Relate personal interests, wants and abilities to career choices and assess how conditions in the labor market may affect career choices.</p> <p>ENABLING OBJECTIVES:</p> <ol style="list-style-type: none"> 1. Give examples of various types of jobs 2. Explain how types and availability of jobs are determined by consumer demand 3. Assess personal interests, abilities, and life goals 4. Differentiate among various occupational choices (e.g., service, manufacturing, agricultural, public service, professional, technical) 5. Analyze the characteristics and requirements of occupations of interest 6. Generalize how income will be affected by factors such as supply and demand, location, level of education, type of industry, union or non-union membership, gender, ethnicity, skill levels, and work ethics 7. Identify trends that cause change in the labor market 8. Describe the role of entrepreneurs in our economy, and assess entrepreneurship as a career option 9. Use a rational decision-making process in the selection of possible career choices 10. Produce a plan for preparing to enter a specific career 	<ul style="list-style-type: none"> • Finding a Job • Education & Advancement • New Career Project
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Mathematic Department:
Mathematic Analysis of Personal Finance

Concepts	Personal Finance Lesson
<p><u>Standard 1: Money Management</u></p> <p>Goal 1.1: Understanding and using effective money management</p> <p>Objective(s): By the end of Math Analysis of Personal Finance, the student will be able to:</p> <p>MAPF.1.1.1 Demonstrate skill in basic financial tasks, including scheduling bill payments, writing checks, reconciling a checking/debit account statements, and monitoring account statements for accuracy</p> <p>MAPF.1.1.2 Interpret appropriate financial graphs, charts and tables</p> <p>MAPF.1.1.3 Construct a cash flow statement</p> <p>MAPF.1.1.4 Create, balance and use a personal budget including fixed and variable expenses</p> <p>MAPF.1.1.5 Calculate the necessary future income to maintain a current standards of living</p> <p>MAPF.1.1.6 Compare the total cost of reducing a credit card balance to zero with minimum payments versus above minimum payments</p> <p>MAPF.1.1.7 Explain how credit card grace periods, methods of interest calculations, and fees affect borrowing costs</p> <p>MAPF.1.1.8 Explain the most cost effective option for purchasing an automobile</p>	<ul style="list-style-type: none"> • Budgeting & Saving • Buying a Car • Choosing & Balancing a Checking Account • Getting a Credit Card • Fixing Your Credit • Intro to Investing • Risk vs. Return • Investing for Retirement • Insurance • New Career Project <p><u>All</u> VBPF lessons allow the student to constantly analyze personal financial decisions through various charts, graphs, and data.</p>
<p><u>Standard 2: Consumerism</u></p> <p>Goal 2.1: Making responsible financial choices</p> <p>Objective(s): By the end of Math Analysis of Personal Finance, the student will be able to:</p> <p>MAPF.2.1.1 Compare, contrast and compute interest rates and fees associated with various financial institutions</p> <p>MAPF.2.1.2 Examine critically the impact of socio-cultural norms and demographics related to money, saving, and spending.</p>	<ul style="list-style-type: none"> • Finding a Job • Budgeting & Saving • Buying a Car • Getting a Credit Card • Buying a Home • Insurance • New Career Project <p><u>All</u> VBPF lessons allow the student to constantly analyze personal financial decisions based on available resources and adjust their lifestyle accordingly to reach their goals</p>

<p>MAPF.2.2.3 Determine the cost of various interest rates and fees to a consumer</p> <p>MAPF.2.2.4 Create measurable short, medium, and long-term financial goals</p> <p>MAPF.2.2.5 Calculate how inflation affects financial decisions</p> <p>MAPF.2.2.6 Using a scenario, calculate the amount paid on an insurance claim after applying exclusions and deductibles</p> <p>MAPF.2.2.7 Compare the costs of auto insurance for the same vehicle, given two different deductibles and two different liability coverage limits</p>	
<p><u>Standard 3: Saving and Investment</u></p> <p>Goal 3.1: Implement a diversified saving and investment strategy</p> <p>Objective(s): By the end of Math Analysis of Personal Finance, the student will be able to:</p> <p>MAPF.3.1.1 Apply strategies for creating wealth/building assets</p> <p>MAPF.3.1.2 Demonstrate ability to use decision-making processes in making financial decisions related to planning, saving, and investing</p> <p>MAPF.3.1.3 Develop and defend the best investment and/or savings options to achieve particular goals</p> <p>MAPF.3.1.4 Describe the advantages and disadvantages of saving for short, medium, and long-term goals</p> <p>MAPF.3.1.5 Compare the risk, return, and liquidity of various investment alternatives</p> <p>MAPF.3.1.6 Evaluate the effect of compounding earned interest</p> <p>MAPF.3.1.7 Create a model for comparing savings and investment results using a graphing or internet calculator</p> <p>MAPF.3.1.8 Identify and assess various means of building wealth</p>	<ul style="list-style-type: none"> • Budgeting & Saving • Intro to Investing • Risk vs. Return • Diversification • Investing for Retirement • New Career Project <p><u>All</u> VBPF lessons allow the student to constantly analyze personal financial decisions based on available resources and adjust their lifestyle accordingly to reach their goals</p>
<p><u>Standard 4: Education and Income</u></p> <p>Goal 4.1: Understand the relationship between education, income, career, and desired lifestyle</p>	<ul style="list-style-type: none"> • Finding a Job • Education & Advancement • Intro to Investing • New Career Project

<p>Objective(s): By the end of Math Analysis of Personal Finance, the student will be able to:</p> <p>MAPF.4.1.1 Explain how income reflects choices made about jobs, careers, education, and skill development</p> <p>MAPF.4.1.2 Evaluate sources of income and resources available that may substitute for income</p> <p>MAPF.4.1.3 Examine how income affects lifestyle choices and spending decisions</p> <p>MAPF.4.1.4 Explain how employee benefits relate to disposable income</p> <p>MAPF.4.1.5 Analyze how payroll deductions modify an employee's disposable income</p> <p>MAPF.4.1.6 Analyze the importance of workforce skills to society and the impact the supply and demand for qualified workers has on wages/salary</p>	
<p>Standard 5: Taxation</p> <p>Goal 5.1: Understand the purposes, roles, and responsibilities related to taxation</p> <p>Objective(s): By the end of Math Analysis of Personal Finance, the student will be able to:</p> <p>MAPF.5.1.1 Compare the returns of taxable investments with those that are tax-exempt and tax-deferred</p> <p>MAPF.5.1.2 Demonstrate how taxable income impacts disposable income</p> <p>MAPF.5.1.3 Contrast the benefits of traditional IRA versus a Roth IRA</p> <p>MAPF.5.1.4 Evaluate the advantages provided by employer-sponsored retirement savings plans, including 401(k), 403(b), and other related plans.</p> <p>MAPF.5.1.5 Explain how deductions, exemptions, and credits reduce taxable income</p> <p>MAPF.5.1.6 Analyze the relationship between various forms of taxation</p>	<ul style="list-style-type: none"> • Paying Your Taxes • Intro to Investing • Investing for Retirement • New Career Project