

ND BUSINESS EDUCATION FRAMEWORKS

Financial Literacy

Course Code	Course Name/Course Description	Grade Levels	Accreditation Time/Credit Options
14095	<i>Financial Literacy</i> is designed to help students understand the impact of individual choices on occupational goals and future earnings potential. Real world topics covered will include checking accounts; saving for large purchases; credit card use, interest, and fees; earning power; taxes and paycheck withholding; college costs; making and living within budgets; and mortgages, retirement savings, and investments. This course will provide a foundational understanding for making informed personal financial decisions.	9-12	½ credit-- semester
Topic	Standards		
<ul style="list-style-type: none"> • Writing a check, balancing and reconciling a checkbook 	6.15.1.7 Describe and use the steps involved in the banking reconciliation process 6.15.1.8 Compare and contrast various forms of endorsement 6.15.1.9 Recognize the costs associated with services offered by financial deposit institutions (e.g. overdrafts and stop-payment orders) 6.15.1.10 Identify other means of transferring funds (e.g. money orders and certified checks) 6.15.1.11 Compare costs and benefits of online and traditional banking		
<ul style="list-style-type: none"> • Saving for larger purchases 	5.6.6.2 Explain why a savings and investing plan changes as one proceeds through the life cycle 6.14.1.11 Identify the advantages and disadvantages of purchasing, leasing, and renting		

	<p>5.6.6.2 Calculate bank discount and proceeds on a discounted note</p> <p>5.6.6.3 Calculate the outstanding amount for installment purchases</p> <p>5.6.6.4 Calculate finance/additional charges, periodic payment, total cost, and APR on an installment contract</p> <p>5.6.6.5 Compare cash price to installment price in order to make a purchasing decision</p> <p>5.6.6.6 Calculate present value of a simple interest loan</p> <p>5.6.6.7 Calculate the effects of early payoff of an installment plan</p> <p>5.6.6.8 Calculate periodic payment, interest, and total amount required to pay to amortize a loan</p> <p>5.6.6.10 Calculate finance charges on credit card balances and cash advances</p> <p>5.6.13.2 Calculate benefits, claims, and premiums on real estate, health, disability, life, fire, and auto insurance</p> <p>5.6.13.3 Compare costs of insurance coverage with different options (term versus whole life and HMO versus indemnity plans)</p> <p>5.6.13.4 Calculate premiums for multiple carrier insurance</p> <p>10.10.2.1 Identify sources of financing</p>
<ul style="list-style-type: none"> • Types of Credit 	<p>5.6.13.1 Explain the need for a sound credit rating</p> <p>6.16.1.7 Identify the various types of credit including the different types of credit card</p> <p>6.16.1.8 Explain why the amount of principal, the period of the loan, and the interest rate affect the amount of interest charged</p> <p>6.16.1.10 Explain why the interest rate varies with the amount of assumed risk</p> <p>6.16.1.11 Identify the opportunity cost of credit</p> <p>6.16.1.12 Define interest as a cost of credit and explain why it is charged</p>

	<p>6.16.1.13 Analyze various sources and types of credit (e.g. short- and long-term) and related costs</p> <p>6.16.1.14 Select an appropriate form of credit for a particular buying decision</p> <p>6.16.1.15 Compare and contrast the various aspects of credit cards (e.g. APR, grace period, incentive buying, methods of calculating interest, and fees)</p> <p>6.16.1.16 Explain credit ratings and credit reports and describe why they are important to consumers</p> <p>6.16.1.17 Describe the relationship between a credit rating and the cost of credit</p> <p>6.16.1.18 Recognize the signs of credit problems</p> <p>6.16.1.19 Analyze the advantages and disadvantages of various alternatives for resolving credit problems</p> <p>6.16.1.20 Research rights and responsibilities of consumers according to credit legislation (e.g. Truth-In-Lending Act, Fair Credit Reporting Act, Equal Credit Opportunity Act, and Fair Debt Collection Act)</p> <p>6.16.1.21 Describe legal and illegal types of credit that carry high interest rates (e.g. payday loans, rent-to-buy agreements, and loan sharking)</p> <p>6.16.1.22 Calculate a payment schedule for a loan</p> <p>6.16.1.23 Identify specific steps that consumers can take to minimize their exposure to identify theft</p>
<ul style="list-style-type: none"> • Earning Power 	<p>6.12.1.8 Describe how income and spending patterns change throughout the life cycle for the typical person and family</p>
<ul style="list-style-type: none"> • Paychecks (deductions) 	<p>5.6.3.3 Calculate gross earnings (e.g. salary, hourly rate, commission, per diem, tips, or production)</p> <p>5.6.3.4 Calculate payroll withholdings (e.g. employee income tax, Social Security, Medicare), other deductions, and net earnings</p>
<ul style="list-style-type: none"> • Budgets 	<p>5.6.4.5 Prepare a budget</p> <p>6.12.1.7 Compare a personal spending plan with typical consumer spending as a tool for determining individual financial goals</p> <p>6.14.1.16 Calculate the costs of utilities, services, maintenance, and other expenses involved in independent living</p>

<ul style="list-style-type: none"> • Retirement 	<p>5.6.2.13 Calculate pension income from Social Security, company or union plans, or retirement accounts</p> <p>5.6.2.14 Calculate penalties for early withdrawal and minimum withdrawals from an IRA</p> <p>5.6.2.15 Calculate penalties for early withdrawal from a certificate of deposit</p>
<ul style="list-style-type: none"> • Mortgages, Retirement Savings, and Investments 	<p>5.6.7.4 Compare the costs of renting, leasing, and buying equipment</p> <p>5.6.2.3 Calculate the purchase price of a stock transaction</p> <p>5.6.2.4 Calculate compound interest and the resulting compound amount at the maturity date for savings and investments</p> <p>5.6.2.5 Use compound interest calculators (including Internet calculators) to compute compound interest and compound amounts</p> <p>5.6.2.6 Calculate the price of a bond, stock or mutual fund given a recent quotation</p> <p>5.6.2.7 Calculate and compare the rates of return for various instruments to make decisions</p> <p>5.6.2.8 Calculate the amount, compound interest, and present value for a simple annuity</p> <p>5.6.2.16 Calculate the net income from real estate investments</p> <p>6.13.1.9 Apply criteria for choosing a savings or investment instrument (e.g. market risk, inflation risk, interest rate risk, liquidity, and minimum amount needed for investment)</p> <p>6.13.1.10 Distinguish between the rights and responsibilities of owners of debt and equity investments</p> <p>6.13.1.11 Explain why a savings and investing plan changes as one proceeds through the life cycle</p> <p>6.13.1.12 Differentiate among interest, dividends, capital gains, and rent from property</p> <p>6.13.1.14 Evaluate tax incentives available for certain investments</p> <p>6.13.1.15 Explain costs and income sources for investments</p>

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<ul style="list-style-type: none"> • Consumer Rights and Responsibilities 	<p>6.14.1.6 Discuss various ways competition helps the consumer</p> <p>6.14.1.7 Describe reasons why there are variances in price for a given item bought from different providers</p> <p>6.14.1.8 Use reliable consumer resources to collect information for making buying decisions about durable and nondurable goods</p> <p>6.14.1.9 Describe the rights, responsibilities, and remedies of consumers and give an example of each</p> <p>6.14.1.10 Identify and understand how consumer protection laws are applied</p> <p>6.10.1.3 Recognize opportunity costs and trade-offs to personal decision making</p>
<ul style="list-style-type: none"> • Writing a Check and reconciling a checkbook 	<p>6.15.1.2 Identify various types of financial deposit institutions</p> <p>6.15.1.3 Identify the rights and responsibilities associated with using a checking account</p> <p>6.15.1.4 Describe the steps involved in opening and using a checking account</p> <p>6.15.1.5 Compare and contrast the different types of checking accounts offered by various financial deposit institutions</p> <p>6.15.1.6 Compare and contrast electronic means of transfer (e.g. debit cards, ATM, and automatic deposits/payments) offered by various financial deposit institutions</p>
<p>Budget</p>	<p>6.11.1.1 Identify various ways people earn a living</p> <p>6.11.1.2 Differentiate between earned and unearned income</p> <p>6.11.1.3 Distinguish between income and wealth</p> <p>6.11.1.4 Explain taxes and how they affect purchasing power</p> <p>6.11.1.5 Explain how types and availability of jobs are determined primarily by consumer demand in the market-oriented economy of the United States</p> <p>6.11.1.6 Discuss how personal choices, experiences, technology, education/training, and other factors correlate with earning a</p>

	<p>living</p> <p>6.11.1.7 Analyze the characteristics and requirements of occupations of interest, including entrepreneurial opportunities</p> <p>6.11.1.8 Differentiate between gross and net income</p> <p>6.11.1.9 Identify benefits as a component of total income</p> <p>6.11.1.10 Identify sources of unearned income (e.g. transfer payments and gifts)</p> <p>6.12.1.3 Identify ways in which individuals and families obtain financial resources</p> <p>6.12.1.4 Define and categorize expenses as fixed or variable</p> <p>6.12.1.5 Classify periodic expenses as fixed or variable</p> <p>6.12.1.6 Determine discretionary income in a spending plan</p>
Savings	<p>6.13.1.4 Distinguish between simple and compound interest</p> <p>6.13.1.5 Describe how financial institutions use deposited funds</p> <p>6.13.1.6 Describe the advantages and disadvantages of different savings and investment plans</p> <p>6.13.1.7 Identify the risk/return trade-offs for saving and investing</p> <p>6.13.1.8 Analyze the power of compounding and the importance of starting early in implementing a plan of saving and investing</p> <p>5.6.2.2 Calculate simple interest</p>
Earning Power	<p>6.11.1.3 Distinguish between income and wealth</p> <p>6.11.1.4 Explain taxes and how they affect purchasing power</p> <p>6.11.1.5 Explain how types and availability of jobs are determined primarily by consumer demand in the market-oriented economy of the United States</p> <p>6.11.1.6 Discuss how personal choices, experiences, technology, education/training, and other factors correlate with earning a</p>

	<p>living</p> <p>6.11.1.7 Analyze the characteristics and requirements of occupations of interest, including entrepreneurial opportunities</p>
Paychecks	<p>6.11.1.8 Differentiate between gross and net income</p> <p>5.6.3.1 Calculate simple gross earnings</p> <p>5.6.3.2 Discuss the concept of payroll withholdings</p>
Types of Credit	<p>6.16.1.3 Identify methods of establishing and maintaining a good credit rating</p> <p>6.16.1.4 Evaluate the various methods of financing a purchase</p> <p>6.16.1.5 Define interest as a cost of credit and explain why it is charged</p> <p>6.16.1.6 Compare advantages and disadvantages of using credit</p> <p>6.16.1.7 Identify the various types of credit including the different types of credit cards</p> <p>6.16.1.8 Explain why the amount of principal, the period of the loan, and the interest rate affect the amount of interest charged</p>