

FINANCIAL CONCEPTS UNIT

**Course**

Intro to Business and Marketing

**Objectives**

* Define foundational financial concepts
* State the importance of financial statements
* Apply numeracy skills to calculate interest and savings
* Analyze a balance sheet and differentiate between fixed and variable expenses
* Determine difference between purchase order and invoice – create a mock purchase order
* Plan a budget for Popcorn Business

**TN State CTE Standards – Financial Concepts**

15) Define and furnish examples of foundational financial concepts and terminology, including but not limited to financial statements, revenue, expenses, assets, liabilities, equity, net worth, profit, and net loss. Demonstrate financial literacy and quantitative reasoning when discussing these concepts in the context of business operations (for example, when interpreting a business’s financial plan). Apply basic numeracy skills to understand financial phenomena such as interest and savings.

16) Differentiate between fixed and variable expenses on a business’s balance sheet. Select three of the expenses listed, draw conclusions as to their importance to the business, and analyze cost-cutting strategies a company might take to minimize expenses in each of the chosen categories.

17) Prepare a mock purchase order, invoice, and/or sales receipt (including shipping and taxes) for a sample product/package. Explain the elements that comprise the financial document and be able to identify any mistakes and miscalculations in order to assist a mock client.

18) Plan a budget for an upcoming community service project or career and technical student organization (CTSO) event. Create a comprehensive budget narrative to accompany the budget, including both a written statement and a summary worksheet listing all expenses, justifying each cost with evidence for why it is needed to successfully complete the project. Detail estimated and actual costs as well as differences in cost in terms of dollars and percentages.

**Essential Questions**

* What purpose do various financial statements serve in managing a business?
* What is the difference between fixed and variable statements? Why does this matter?
* How can a budget aid in achieving financial success in a business?

**Duration**

(9) weeks

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| **ACTIVITIES** |
| **Assignment** | **Due****Date** | **Date Completed** | **Grade** |
| Financial Concepts PowerPoint |  |  |  |
| Glossary: Financial Concepts |  |  |  |
| Activity: Differentiating between Fixed and Variable Expenses |  |  |  |
| Activity: Balance Sheet Exercises |  |  |  |
| Activity: Income Statement Calculations |  |  |  |
| Activity: Calculating Interest Rates |  |  |  |
| Activity: Create a Purchase Order |  |  |  |
| Project: Start-Up Budget for Popcorn Business |  |  |  |
| Unit Exam |  |  |  |

**\* All activities and PowerPoint are located on bkavass.weebly.com under Intro to Business and Marketing \***